



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
October 27, 2022

Agenda Item No. 3A
Discussion Calendar

**Approval of Master Lease-Purchase Agreement and
Other Related Actions for the Acquisition of Two Helicopters**

Contact(s) for Further Information

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Summary

This agenda item is submitted for approval of the master lease-purchase agreement with Banc of America Public Capital Corp and other related actions for the acquisition of two Firehawk (Sikorsky S70 Type 1) helicopters per direction provided by the Board at its September 22, 2022 Board of Directors Meeting. The item also includes a proposed indemnification agreement requested by the City of Yorba Linda in connection with the public hearing held on October 4th for the approval of financing pursuant to the Joint Exercise of Powers Act.

Prior Board/Committee Action(s)

Following extensive review and discussion by the Budget & Finance Committee and the Board of Directors from the period of July 2021 through September 2022, the Board of Directors at its September 22, 2022 Board meeting, by a vote of 15-7 (Directors Bourne, Gamble, and Hasselbrink absent, and Directors Bartlett, Chun, Kuo, Lopez, Rains, Steggell, and Tettemer dissented), directed staff to purchase two Firehawk (Sikorsky S70 Type 1) helicopters and complete the necessary administrative actions inclusive of entering into helicopter purchase and related training agreements, pursue lease-purchase financing with Banc of America Public Capital Corp, complete JPA legal and procedural requirements necessary for the financing of the aircraft and budgetary adjustments for one-time and on-going related costs.

On October 12, 2022, the Budget and Finance Committee reviewed the proposed agenda item and directed staff to place the item on the Board of Directors agenda by a vote of 6-1 (Director Tettemer dissented and Directors Bourne and Rossini absent).

RECOMMENDED ACTION(S)

1. Adopt the proposed Resolution approving the acquisition and financing of two new helicopters and approve related Master Lease-Purchase Agreement with Banc of America Public Capital Corp, Equipment Schedule No. 01, Addendum Relating to Aircraft, Escrow and Account Control Agreement, and related schedules and actions (Attachments 1).
2. Approve an Indemnification Agreement with the City of Yorba Linda in Connection with the Funding of the Purchase of Firehawk Helicopters (Attachment 2).

Impact to Cities/County

Not Applicable.

Fiscal Impact

The fiscal impact includes \$57.9 million in capital costs, financed with \$57.9 million in lease-purchase financing proceeds.

Increased Cost Funded by Structural Fire Fund (Capital): \$4.9 million/year for 15 years

Increased Cost Funded by Cash Contract Cities: \$0

Background

Lease-Purchase Financing

On August 1, 2022, staff released a Request for Proposals (RFP) to hire the financing team, which is comprised of a Municipal Financial Advisor and Special Counsel, to assist with a lease-purchase financing. The municipal financial advisor provides independent financial advice and serves solely the interests of the OCFA. Services provided by the municipal financial advisor include developing the Lease-Purchase structure, documents and bid package, evaluating the competitive bidding proposals among banks and financial institutions to obtain the best financing terms at the lowest cost of borrowing, and assisting with the formation and completion of all documents. Special Counsel Services include reviewing all of the financing documents, ensuring all necessary legal and procedural requirements are met, and providing a legal opinion that OCFA is authorized to execute the lease-purchase transaction.

On August 31, 2022, based on guidance from the financing team, OCFA released and published an RFP seeking proposals from qualified lessors/banks for a 2022 equipment lease-purchase agreement, for which the proceeds will be used to purchase two all hazard firefighting/rescue helicopters (Sikorsky S-70 Type 1 helicopters) from United Rotorcraft. The financing terms requested in the RFP included 7-year, 10-year, and 15-year financing for a principal amount not to exceed \$58 million (inclusive of aircraft purchase price, taxes, performance bond, estimated cost of issuance, and project implementation/training costs) with annual interest and principal payments to commence in January 2024. The RFP also disclosed that 80% of the purchase price of the helicopters will be paid to the vendor shortly after the financing closes and in advance of helicopter delivery.

The purchaser/bank proposals were due on September 8, and a total of seven proposals were received by the deadline. Following the evaluation of the proposals by an evaluation panel consisting of the financing team and OCFA personnel, Banc of America Public Capital Corp was ranked the highest firm with the proposal that is the most advantageous to the OCFA.

At its September 22, 2022 Board of Directors meeting, the Board directed staff to pursue lease-purchase financing for a term of 15-years, with an interest rate of 3.1379%, and annual principal and interest payments of \$4.9 million with Banc of America Public Capital Corp and return to the Board of Directors at the October 27, 2022 meeting for approval of the final financing documents. Draft Resolution and Bank of America Public Capital Corp financing documents are included as Attachments 1 and 2 for review and consideration.

City of Yorba Linda Public Hearing – Indemnification Agreement

The Joint Exercise of Powers Act, Article 4 Local Bond Pooling, requires a public hearing to be held by a local agency (not the Joint Powers Authority) within whose boundaries the capital improvement will be located (or used) to approve the lease-purchase financing of the helicopters and to make a finding of significant public benefit. Given that the two Firehawks will benefit all OCFA member agencies, special counsel has advised that any one of the OCFA's member agencies may hold the required noticed public hearing. The relevant sections of Article 4, Local Bond Pooling Act (set forth in Government Code Section 6584 et seq.) specific to this requirement are referenced below:

6586.5. (a) Notwithstanding Section 6587, an authority, or any entity acting on behalf of or for the benefit of an authority, may not authorize bonds [which includes lease-purchase agreements] to construct, acquire, or finance a public capital improvement except pursuant to Article 1 (commencing with Section 6500), unless all of the following conditions are satisfied with respect to each capital improvement to be constructed, acquired, or financed:

(1) The authority reasonably expects that the public capital improvement is to be located within the geographic boundaries of one or more local agencies of the authority that is not itself an authority.

(2) A local agency that is not itself an authority, within whose boundaries the public capital improvement is to be located, has approved the financing of the public capital improvement and made a finding of significant public benefit in accordance with the criteria specified in Section 6586 after a public hearing held by that local agency within each county or city and county where the public capital improvement is to be located after notice of the hearing is published once at least five days prior to the hearing in a newspaper of general circulation in each affected county or city and county.

At its September 22, 2022 Board of Directors meeting, the Board directed staff to partner with the City of Yorba Linda or any other OCFA member agency to coordinate a public hearing pursuant to the Joint Powers Act. The City of Yorba Linda agreed to conduct the public hearing in accordance with Section 6586.5(a)(2) to consider approval of the findings of significant public benefit and to approve the financing for purposes of that same section. The City also requested OCFA to defend and indemnify the City; however, given the time constraints, the City agreed to proceed in conducting the public hearing with the understanding that the OCFA Board of Directors will consider approval of the indemnification agreement (Attachment 3) at a later date. The City Council for the City of Yorba Linda held the public hearing on October 4th and the item passed unanimously 5-0.

Staff recommends approval of the recommended actions.

Attachment(s)

1. Resolution approving the acquisition and financing of two new helicopters and related Master-Lease Purchase Agreement, Equipment Schedule No. 1, Addendum Relating to Aircraft, Escrow and Account Control Agreement, and related schedules and actions.
2. Indemnification agreement with the City of Yorba Linda

RESOLUTION NO. 2022-__

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ORANGE COUNTY FIRE AUTHORITY APPROVING THE ACQUISITION AND FINANCING OF TWO NEW HELICOPTERS AND APPROVING THE RELATED MASTER LEASE-PURCHASE AGREEMENT AND SCHEDULES AND TAKING OTHER RELATED ACTIONS

WHEREAS, the Orange County Fire Authority (the "**OCFA**") is a joint powers authority duly established and existing pursuant to the Joint Exercise of Powers Act (set forth in California Government Code Section 6500 *et seq.*), and an Amended Joint Powers Agreement, dated September 23, 1999, as amended, by and among the County of Orange ("County") and 23 member cities within the County; and

WHEREAS, on September 22, 2022, the Board of Directors of OCFA (the "**Board**") authorized OCFA's purchase of two new Firehawk (Sikorsky S-70 Type 1) helicopters (the "**Helicopters**"), pursuant to a Master Purchase Agreement with United Rotorcraft, which is contingent upon the closure of, and funding from, a lease-purchase financing transaction (anticipated to close on November 3, 2022); and

WHEREAS, Banc of America Public Capital Corp ("**BofAPCC**") is willing to provide such financing to OCFA on the terms and conditions stated in the Term Sheet ("**Term Sheet**"), and by entering into a Master Equipment Lease/Purchase Agreement and related Schedules and Addendum, in an amount not to exceed \$58,000,000 (inclusive of costs of issuance) (together with the Schedules, the "**Financing Lease**") with BofAPCC, as lessor, and OCFA, as lessee; and

WHEREAS, at its September 22, 2022 meeting, the Board directed staff to pursue lease-purchase financing with BofAPCC for a term of 15-years at an interest rate of 3.1379%, and return to the Board of Directors at the October 27, 2022 meeting for approval of the final financing documents.

WHEREAS, the Financing Lease is expected to be in the amount of \$57,882,120.04 (principal component), inclusive of training and cost of issuance, with annual principal and interest payments of approximately \$4.925 million per year for 15 years, for total debt service payment over the life of the Financing Lease of \$73,872,089.63.

WHEREAS, the Financing Lease is being executed pursuant to the Local Bond Pooling Act, set forth in Government Code Section 6584 *et seq.*, to finance the acquisition of the Helicopters, which is equipment necessary to support the fire protection function of OCFA and deliver the public services therefrom.

WHEREAS, in accordance with California Government Code Section 6586.5, the City of Yorba Linda held a public hearing (notice of which was published in the Orange County Register) approving the financing and made a finding of significant public benefit.

NOW, THEREFORE, THE ORANGE COUNTY FIRE AUTHORITY BOARD OF DIRECTORS DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The above recitals, and each of them, are true and correct.

Section 2 In accordance with California Government Code Section 5852.1, the Board has obtained from Fieldman, Rolapp & Associates, Inc., OCFA's municipal advisor, certain good faith estimates related to this financing, which are attached as Exhibit A to this Resolution.

Section 3 The Term Sheet attached hereto as Exhibit B is hereby approved.

Section 4. The Financing Lease in the amount of \$57,882,120.04 (principal component), in substantially the form attached hereto as Exhibit C, is hereby approved. Each of the Treasurer and/or the Assistant Chief of Business Services (each, an **Authorized Officer**), acting individually, is hereby authorized to execute and deliver, for and in the name of the OCFA, the Financing Lease in substantially such form, with changes therein as the Authorized Officer may approve (such approval to be conclusively evidenced by the execution and delivery thereof).

Section 5. The Escrow and Account Control Agreement, in substantially the form attached hereto as Exhibit D, is hereby approved. Each of the Treasurer and/or the Assistant Chief of Business Services (each, an **"Authorized Officer"**), acting individually, is hereby authorized to execute and deliver, for and in the name of the OCFA, the Escrow and Account Control Agreement in substantially such form, with changes therein as the Authorized Officer may approve (such approval to be conclusively evidenced by the execution and delivery thereof).

Section 6. The members of the Board, the Authorized Officers and other officers of OCFA, are hereby authorized, jointly and severally, to execute and deliver any and all necessary documents and instruments and to do all things (including, but limited to, the payment of any fee due to CDIAC under Government Code Section 8856 in connection with the Financing) which may be necessary or proper to effectuate the purposes of this Resolution and the Financing Lease and Escrow and Account Control Agreement. Any such previous action taken by such officers are hereby ratified and confirmed.

Section 7. This Resolution shall be effective immediately upon its passage and approval.

I do hereby certify that the above Resolution No. 2022-___ was duly adopted at a meeting of the Board of Directors of the Orange County Fire Authority on October ___, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Michele Steggell, Chair
Board of Directors

ATTEST:

Maria Huizar
Clerk of the Authority

EXHIBIT A
GOOD FAITH ESTIMATES

The following information was obtained from Fieldman, Rolapp & Associates, Inc., OCFA's municipal advisor, and is provided in compliance with Section 5852.1 of the California Government Code with respect to the Financing Lease:

(A) *True Interest Cost.* A good faith estimate of the true interest cost of the Financing Lease, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Financing Lease is 3.11%.

(B) *Finance Charge.* A good faith estimate of the finance charge of the Financing Lease, which means the sum of all fees and charges paid to third parties (or costs associated with the Financing Lease) is \$47,000.

(C) *Amount of Proceeds to be Received.* A good faith estimate of the amount of proceeds received by OCFA for the Financing Lease, less the finance charge of the Financing Lease described in subparagraph (B) above, and any reserves or capitalized interest paid or funded with proceeds of the Financing Lease, is \$57,835,120.

(D) *Total Payment Amount.* A good faith estimate of the total payment amount, which means the sum total of all payments OCFA will make to pay debt service throughout the term of the Financing Lease, plus the finance charge of the Financing Lease described in subparagraph (B) above not paid with the proceeds of the Financing Lease is \$73,872,090.

Attention is directed to the fact that the foregoing information constitutes good faith estimates as of October 6, 2022. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from those presently estimated due to variations from these estimates in the timing of execution of the Financing Lease.

EXHIBIT B
TERM SHEET

[Attached]



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SUMMARY OF TERMS AND CONDITIONS

<u>Date:</u>	September 8, 2022
<u>Lessee:</u>	Orange County Fire Authority ("Lessee")
<u>Lessor:</u>	Banc of America Public Capital Corp ("Lessor")
<u>Structure:</u>	Approximately \$58MM: Privately Placed Lease Purchase subject to appropriation
<u>Security:</u>	A lien will be placed on the assets being financed
<u>Interest Rate:</u>	Terms of 7, 10 or 15 years: 3.1379%
<u>Payments:</u>	<p>See attached amortizations for each tenor requested in the RFP</p> <p>These rates include a rate lock and the transaction needs to fund by December 7, 2022. The Authority needs to communicate the desire to work with BAPCC by September 15, 2022 so that the interest rate can be locked, contingent on Governing Board Action. If changes to the amortization schedules are desired, this may be accommodated as long as the economics of the bid remain intact.</p>
<u>Prepayment:</u>	Prepayment in full allowed after the first half of term at par.
<u>Governmental Entity Lease:</u>	<p>The Base Rent installments are calculated on the assumptions, and Lessee will represent, that Lessee is a state or political subdivision of a state within the meaning of Section 103(c) of the Internal Revenue Code (the "Code"), and that this transaction will constitute an obligation of Lessee within the meaning of Section 103(a) of the Code, notwithstanding Section 103(b) of the Code. Lessee shall provide Lessor with such evidence as Lessor may request to substantiate and maintain such tax status. Lessee shall comply with the filing requirements of Section 149(e) of the Code.</p>

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End of Term: At the expiration of the Lease Term, Lessee will own the equipment.

Opinion of Counsel: Lessee's counsel shall deliver a validity and tax opinion to Lessor at closing in form and substance satisfactory to Lessor. The validity opinion will cover that counsel has reviewed the documents and examined, approved and attached the text of the enabling resolution of Lessee's governing body authorizing Lessee to enter into the Lease. The tax opinion will be commensurate in form as is normal for such financings and shall be issued by Bond Counsel.

Escrow Account: The proceeds may be deposited into an escrow account acceptable to Lessor, and disbursements made therefrom to pay for the equipment upon execution and delivery of a disbursement request (and related documents) by Lessee and approved by Lessor. BAPCC retains a security interest in the unspent funds. Sample documents from an escrow agent that is routinely used for BAPCC clients has provided for review. The set-up fee related to the escrow account has been waived.

Documentation: The transaction is contingent upon successful negotiation of the lease documents and credit approval. The transaction has successfully gone through Lessor's formal pre-screen process.

A performance bond will be required if the proceeds are paid to a vendor or manufacturer prior to the delivery and acceptance of the asset. BAPCC will be listed as co-obligee on the performance bond.

Due to the asset type, the Federal Aviation Administration ("FAA") counsel and Lessor's business counsel will be involved with the completion and filing of appropriate documents and the perfection of Lessor's security interest.

BAPCC Business Counsel : George Mardikes; Davis Wright Tremaine LLP

Special FAA Counsel : Daugherty, Fowler, Peregrin, Haught & Jenson, PC

The Standard BAPCC documents along with the aircraft addendum have been included in the RFP response as requested. These forms are proprietary and confidential.

(continued on next page)

The transaction described in this document is an arm's length, commercial transaction between you and Banc of America Public Capital Corp or one of its subsidiaries or affiliates (collectively, "BAPCC") in which: (i) BAPCC is acting solely as a principal (i.e., as a lender or lessor) and for its own interest; (ii) BAPCC is not acting as a municipal advisor or financial advisor to you; (iii) BAPCC has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to you with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether BAPCC or any of its affiliates has provided other services or is currently providing other services to you on other matters); (iv) the only obligations BAPCC has to you with respect to this transaction are set forth in the definitive transaction agreements between us; and (v) BAPCC is not recommending that you take an action with respect to the transaction described in this document, and before taking any action with respect to the this transaction, you should discuss the information contained herein with your own legal, accounting, tax, financial and other advisors, as you deem appropriate. If you would like a municipal advisor in this transaction that has legal fiduciary duties to you, you are free to engage a municipal advisor to serve in that capacity.

EXHIBIT C
FINANCING LEASE

[Attached]

MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT

This Master Equipment Lease/Purchase Agreement (the "*Agreement*") dated as of November 3, 2022, and entered into by and between Banc of America Public Capital Corp, a Kansas corporation (together with its successors, assigns and transferees, and as more particularly defined herein, "*Lessor*"), and Orange County Fire Authority, a joint powers authority duly established and existing under the laws of the State of California ("*Lessee*").

WITNESSETH:

WHEREAS, Lessee desires to lease and acquire from Lessor certain Equipment described in each Equipment Schedule (as each such term is defined herein), subject to the terms and conditions of and for the purposes set forth in each Lease; and

WHEREAS, the relationship between the parties shall be a continuing one and items of equipment and other personal property may be financed pursuant to one or more Leases entered into from time to time in accordance with this Agreement by execution and delivery of additional Equipment Schedules by the parties hereto, subject to the terms and conditions provided herein; and

WHEREAS, Lessee is authorized under the constitution and laws of the State (as such term is defined herein) to enter into this Agreement and each Equipment Schedule for the purposes set forth herein and therein;

NOW, THEREFORE, for good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, and in consideration of the premises hereinafter contained, the parties hereby agree as follows:

ARTICLE I

Section 1.01. Definitions. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"*Acquisition Amount*" means, with respect to each Lease, the amount specified in the related Equipment Schedule and represented by Lessee to be sufficient for the purpose of acquiring and installing the Equipment listed in such Lease.

"*Acquisition Period*" means, with respect to each Lease for which an Escrow Account is established, that period identified in the related Equipment Schedule during which the Acquisition Amount attributable to such Lease may be expended on Equipment Costs pursuant to the related Escrow Agreement.

"*Agreement*" means this Master Equipment Lease/Purchase Agreement, including the exhibits hereto, together with any amendments and modifications to this Agreement pursuant to Section 13.04.

"Casualty Value" means, with respect to each Lease, the amount that is shown on the Payment Schedule for each Rental Payment Date under the column titled either (i) the Prepayment Price or (ii) the "Casualty Value", if any.

"Code" means the Internal Revenue Code of 1986, as amended. Each reference to a Section of the Code in this Agreement and a Lease shall be deemed to include the relevant United States Treasury Regulations proposed or in effect thereunder.

"Commencement Date" means, for each Lease, the date when Lessee's obligation to pay rent commences under such Lease, which date shall be the earlier of (a) the date on which the Equipment listed in such Lease is accepted by Lessee in the manner described in Section 5.01, or (b) the date on which the Acquisition Amount is deposited in an Escrow Account for the purpose of acquiring and installing the Equipment listed in such Lease.

"Contract Rate" means, with respect to each Lease, the rate identified as such in the related Payment Schedule.

"Disbursement Request" means, with respect to each Lease for which an Escrow Account is established, the disbursement request attached to the applicable Escrow Agreement as Schedule 1 and made a part thereof.

"Equipment" means, with respect to each Lease, the property listed in the related Equipment Schedule and all replacements, repairs, restorations, modifications and improvements thereof or thereto made pursuant to Article V or Section 8.01. Whenever reference is made in this Agreement to Equipment listed in a Lease, such reference shall be deemed to include all such replacements, repairs, restorations, modifications and improvements of or to such Equipment.

"Equipment Costs" means, with respect to each Lease, the total cost of the Equipment listed in the related Equipment Schedule, including related soft costs such as freight, installation and taxes and other capitalizable costs, legal fees, financing costs and other costs necessary to vest full, clear legal title to the Equipment in Lessee, subject to the security interest granted to and retained by Lessor as set forth in each Lease, and other costs incurred in connection with the acquisition, installation and/or financing of the Equipment as provided in the related Lease; *provided* that (a) any such soft costs on a cumulative basis shall not exceed a percentage approved by Lessor of the total cost of the Equipment subject to such Lease and (b) in no event shall capitalizable delivery costs, installation charges, taxes and similar capitalizable soft costs relating to such Equipment be included without Lessor's prior consent.

"Equipment Schedule" means each separately numbered Equipment Schedule, substantially in the form of either *Exhibit A-1* (general Equipment) or *Exhibit A-2* (energy services Equipment) hereto, together with the related Payment Schedule.

"Escrow Account" means, with respect to any Lease, the account established and held by the Escrow Agent pursuant to the related Escrow Agreement.

"Escrow Agent" means, with respect to each Lease for which an Escrow Account is established, the Escrow Agent identified in the related Escrow Agreement, and its successors and assigns.

"Escrow Agreement" means, with respect to each Lease for which an Escrow Account is established, an Escrow and Account Control Agreement in form and substance acceptable to and executed by Lessee, Lessor and the Escrow Agent, pursuant to which an Escrow Account is established and administered.

"Event of Default" means an Event of Default described in Section 12.01.

"Event of Non-appropriation" means, with respect to a Lease, the failure of Lessee's governing body to appropriate or otherwise make available funds to pay Rental Payments under such Lease following the Original Term or then current Renewal Term sufficient for the continued performance of such Lease by Lessee.

"Lease" means an Equipment Schedule and the terms and provisions of this Agreement which are incorporated by reference into such Equipment Schedule.

"Lease Term" means, with respect to each Lease, the Original Term and all Renewal Terms provided in the related Equipment Schedule.

"Lessee" means the entity referred to as Lessee in the first paragraph of this Agreement.

"Lessor" means (a) the entity referred to as Lessor in the first paragraph of this Agreement and its successors or (b) any assignee or transferee pursuant to Section 11.01 of any right, title or interest of Lessor in and to the Equipment under the applicable Lease (including the Rental Payments and other amounts due thereunder), any related Escrow Agreement and Escrow Account, but does not include any entity solely by reason of that entity retaining or assuming any obligation of Lessor to perform hereunder or under such Lease.

"Material Adverse Change" means (a) any change in Lessee's creditworthiness that could have a material adverse effect on (i) the financial condition or operations of Lessee, or (ii) Lessee's ability to perform its obligations under this Agreement or any Lease or (b) a downgrade in Lessee's external debt rating from the date of this Agreement of two or more subgrades by either Moody's Investors Service, Inc. or S&P Global Ratings or any equivalent successor credit rating agency, or any downgrade by either such agency that would cause Lessee's credit rating to be below investment grade, or, if any such rating agency no longer publishes such ratings at the date of determination, any other nationally recognized statistical rating organization that is selected by Lessee for purposes of such long-term general obligation bond ratings and long-term general fund related bond ratings.

"Original Term" means, with respect to each Lease, the period from the Commencement Date identified in the related Equipment Schedule until the end of the fiscal year of Lessee in effect at such Commencement Date.

"Outstanding Balance" means, with respect to each Lease, the amount that is shown for each Rental Payment Date under the column titled "Outstanding Balance" on the Payment Schedule.

"Payment Schedule" means, with respect to each Lease, the Payment Schedule attached to and made a part of the related Equipment Schedule and substantially in the form of *Exhibit B* attached to this Agreement.

"Prepayment Price" means, with respect to each Lease, the amount that is shown for each Rental Payment Date under the column titled "Prepayment Price" on the Payment Schedule.

"Principal Portion" means, with respect to each Lease, the amount that is shown for each Rental Payment Date under the column titled "Principal Portion" on the Payment Schedule.

"Related Documents" means, with respect to each Lease, the Lease, this Agreement and, if applicable, the related Escrow Agreement, each as may be amended and supplemented.

"Renewal Terms" means, with respect to each Lease, the consecutive renewal terms of such Lease as specified in the related Equipment Schedule, the first of which commences immediately after the end of the Original Term and each having a duration and a term coextensive with each successive fiscal year of Lessee; *provided* that the final such Renewal Term shall commence on the first day of the last such fiscal year and end on the first business day after the last scheduled Rental Payment Date.

"Rental Payment Date" means, with respect to each Lease, each date on which Lessee is required to make a Rental Payment under such Lease as specified in the related Payment Schedule.

"Rental Payments" means, with respect to each Lease, the basic rental payments payable by Lessee on the Rental Payment Dates and in the amounts as specified in the related Payment Schedule, consisting of a principal component and an interest component, and in all cases sufficient to repay the principal component under such Lease and interest thereon at the applicable Contract Rate (or Taxable Rate if then in effect).

"SEC" means the U.S. Securities and Exchange Commission.

"State" means the State of California.

"Taxable Rate" means, with respect to each Lease, for each day that the interest component of Rental Payments is taxable for Federal income tax purposes, an interest rate equal

to the Contract Rate plus a rate sufficient such that the total interest to be paid on any Rental Payment Date would, after such interest was reduced by the amount of any Federal, state or local income tax (including any interest, penalties or additions to tax) actually imposed thereon, equal the amount of interest otherwise due to Lessor.

“*Vendor*” means the manufacturer, installer or supplier of the Equipment listed in an Equipment Schedule or any other person as well as the agents or dealers of the manufacturer, installer or supplier with whom Lessee arranged Lessee’s acquisition, installation, maintenance and/or servicing of the Equipment pursuant to the applicable Lease.

“*Vendor Agreement*” means any contract entered into by Lessee and any Vendor for the acquisition, installation, maintenance and/or servicing of the Equipment under a Lease.

ARTICLE II

Section 2.01. Representations and Covenants of Lessee. Lessee represents, covenants and warrants for the benefit of Lessor on the date hereof and as of the Commencement Date of each Lease as follows:

(a) Lessee is a political subdivision of the State within the meaning of Section 103(c) of the Code, duly organized and existing under the constitution and laws of the State, with full power and authority to enter into the Related Documents and the transactions contemplated thereby and to perform all of its obligations thereunder.

(b) Lessee has duly authorized the execution and delivery of the Related Documents by proper action of its governing body at a meeting duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of the Related Documents.

(c) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists at the date hereof. No Event of Non-appropriation has occurred or is threatened with respect to any Lease.

(d) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a joint powers authority of the State.

(e) Lessee has complied with such procurement and public bidding requirements as may be applicable to the Related Documents and the acquisition and installation by Lessee of the Equipment as provided in each Lease.

(f) During the Lease Term under each Lease, the Equipment will be used by Lessee only for the purpose of performing essential governmental or proprietary

functions of Lessee consistent with the permissible scope of Lessee's authority. Lessee does not intend to sell or otherwise dispose of the Equipment or any interest therein prior to the last Rental Payment (including all Renewal Terms) scheduled to be paid under the related Lease.

(g) Lessee has kept, and throughout the Lease Term of each Lease shall keep, its books and records in accordance with generally accepted accounting principles and practices consistently applied, and shall deliver to Lessor (i) annual audited financial statements (including (1) a balance sheet, (2) statement of revenues, expenses and changes in fund balances for budget and actual, (3) statement of cash flows, and (4) footnotes, schedules and attachments to the financial statements) within two hundred seventy (270) days after the end of its fiscal year, (ii) such other financial statements and information as Lessor may reasonably request, and (iii) upon Lessor's request, its annual budget for any prior or current fiscal year or for the following fiscal year when approved but not later than thirty (30) days prior to the end of its current fiscal year. The financial statements described in this subsection (g)(i) shall be accompanied by an unqualified opinion of Lessee's independent auditor. Credit information relating to Lessee may be disseminated among Lessor and any of its affiliates and any of their respective successors and assigns.

(h) Lessee has an immediate need for the Equipment listed on each Equipment Schedule and expects to make immediate use of the Equipment listed on each Equipment Schedule. Lessee's need for the Equipment is not temporary and Lessee does not expect the need for any item of the Equipment to diminish during the related Lease Term.

(i) The payment of the Rental Payments or any portion thereof is not (under the terms of any Lease or any underlying arrangement) directly or indirectly (x) secured by any interest in property used or to be used in any activity carried on by any person other than a state or local governmental unit or payments in respect of such property; or (y) on a present value basis, derived from payments (whether or not to Lessee) in respect of property, or borrowed money, used or to be used in any activity carried on by any person other than a state or local governmental unit. The Equipment will not be used, directly or indirectly, in any activity carried on by any person other than a state or local governmental unit. No portion of the Acquisition Amount relating to any Lease will be used, directly or indirectly, to make or finance loans to any person other than Lessee. Lessee has not entered into any management or other service contract with respect to the use and operation of the Equipment.

(j) There is no litigation (notice of which has been properly served on the Lessee), tax claim, proceeding or dispute that may adversely affect Lessee's financial condition or impairs its ability to perform its obligations under the Related Documents. To the best of knowledge, there is no pending litigation, tax claim, proceeding or dispute that may adversely affect Lessee's financial condition or impairs its ability to perform its obligations under the Related Documents. Lessee will, at its expense, maintain its legal

existence and do any further act and execute, acknowledge, deliver, file, register and record any further documents Lessor may reasonably request in order to protect Lessor's first priority security interest in the Equipment and the Escrow Account and Lessor's rights and benefits under each Lease and related Escrow Agreement.

(k) Lessee is the fee owner of the real estate where the Equipment under each Lease is and will be located (the "*Real Property*") and has good and marketable title thereto, and there exists no mortgage, pledge, lien, security interest, charge or other encumbrance of any nature whatsoever on or with respect to such Real Property.

(l) No lease, rental agreement, lease-purchase agreement, payment agreement or contract for purchase to which Lessee has been a party at any time has been terminated by Lessee as a result of insufficient funds being appropriated in any fiscal year. No event has occurred which would constitute an event of default under any debt, revenue bond or obligation which Lessee has issued during the past ten (10) years.

(m) In connection with the Lessee's compliance with any continuing disclosure undertakings (each, a "*Continuing Disclosure Agreement*") entered into by the Lessee pursuant to SEC Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "*Rule*"), the Lessee may be required to file with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, or its successor ("*EMMA*"), notice of its incurrence of its obligations under the Related Documents and notice of any accommodation, waiver, amendment, modification of terms or other similar events reflecting financial difficulties in connection with the Related Documents, in each case including posting a full copy thereof or a description of the material terms thereof (each such posting, an "*EMMA Posting*"). Except to the extent required by applicable law, including the Rule, the Lessee shall not file or submit or permit the filing or submission of any EMMA Posting that includes the following unredacted confidential information about the Lessor or its affiliates and any Escrow Agent in any portion of such EMMA Posting: address and account information of the Lessor or its affiliates and any Escrow Agent; e-mail addresses telephone numbers, fax numbers, names and signatures of officers, employees and signatories of the Lessor or its affiliates and any Escrow Agent; and the form of Disbursement Request that is attached to the Escrow Agreement.

The Lessee acknowledges and agrees that the Lessor and its affiliates are not responsible for the Lessee's or any other entity's (including, but not limited to, any broker-dealer's) compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with the Rule, any Continuing Disclosure Agreement or any applicable securities or other laws, including but not limited to those relating to the Rule.

ARTICLE III

Section 3.01. Lease of Equipment. Subject to the terms and conditions of this Agreement, Lessor agrees to provide the funds specified in each Lease to be provided by it for Lessee to

acquire the Equipment described in the related Equipment Schedule. Upon the execution and delivery of each Lease, Lessor thereby demises, leases and transfers to Lessee, and Lessee thereby acquires, rents and leases from Lessor, the Equipment as set forth in such Lease and in accordance with the terms thereof. The Lease Term for each Lease may be continued, solely at the option of Lessee, at the end of the Original Term or any Renewal Term for the next succeeding Renewal Term up to the maximum Lease Term set forth in such Lease. At the end of the Original Term and at the end of each Renewal Term until the maximum Lease Term has been completed, Lessee shall be deemed to have exercised its option to continue each Lease for the next Renewal Term unless Lessee shall have terminated such Lease pursuant to Section 3.03 or Section 10.01 of this Agreement. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Rental Payments shall be as provided in the applicable Lease. Each Equipment Schedule signed and delivered by Lessor and Lessee pursuant to this Agreement shall constitute a separate and independent lease and installment purchase of the Equipment therein described.

Section 3.02. Continuation of Lease Term. Lessee intends, subject to Section 3.03 hereof, to continue the Lease Term of each Lease through the Original Term and all Renewal Terms and to pay the Rental Payments due thereunder. Lessee affirms that sufficient funds are legally available for the current fiscal year, and Lessee reasonably believes that an amount sufficient to make all Rental Payments during the entire Lease Term of each Lease can be obtained from legally available funds of Lessee. Lessee further intends to do all things lawfully within its power to obtain and maintain funds sufficient and available to discharge its obligation to make Rental Payments due under each Lease, including making provision for such payments to the extent necessary in each budget or appropriation request submitted and adopted in accordance with applicable provisions of law. Notwithstanding the foregoing, the decision whether or not to budget and appropriate funds or to extend the Lease Term for any Renewal Term for each Lease is within the sole discretion of the governing body of Lessee.

Section 3.03. Non-appropriation. Lessee is obligated only to pay such Rental Payments under each Lease as may lawfully be made during Lessee's then current fiscal year from funds budgeted and appropriated for that purpose. Should Lessee fail to budget, appropriate or otherwise make available funds to pay Rental Payments under any Lease following the then current Original Term or Renewal Term, such Lease or Leases shall be deemed terminated at the end of the then current Original Term or Renewal Term thereunder. Lessee agrees to deliver notice to Lessor of such termination promptly after any decision to non-appropriate is made, but failure to give such notice shall not extend the term beyond such Original Term or Renewal Term. If any Lease is terminated in accordance with this Section 3.03, Lessee agrees to cease use of the Equipment thereunder and peaceably remove and deliver to Lessor, at Lessee's sole expense (from legally available funds), such Equipment to Lessor at the location(s) to be specified by Lessor in writing on or before the end of the applicable Original Term or Renewal Term for which Rental Payments have been appropriated for the applicable Lease (each, a "*Non-Appropriation Return Date*"). Lessor may take whatever action at law or in equity as may be necessary or desirable to enforce Lessee's obligations in the immediately preceding sentence. Without limiting or reducing in any way Lessee's obligations in the second preceding sentence or Lessor's rights in the immediately preceding sentence, if the Lessee fails to return the

Equipment to Lessor on or before the applicable Non-Appropriation Return Date pursuant to this Section 3.03, Lessee shall pay month-to-month rent at the Contract Rate (or the Taxable Rate if then in effect) set forth in the affected Lease for each month or part thereof that Lessee fails to return the Equipment thereunder pursuant to this Section 3.03.

Section 3.04. Conditions to Lessor's Performance. (a) As a prerequisite to the performance by Lessor of any of its obligations pursuant to any Lease, Lessee shall deliver to Lessor, in form and substance satisfactory to Lessor, the following:

- (i) A fully completed Equipment Schedule, executed by Lessee;
- (ii) If an Escrow Account is to be established with respect to such Lease, an Escrow Agreement substantially in the form attached hereto as *Exhibit I*, satisfactory to Lessor and executed by Lessee and the Escrow Agent;
- (iii) A certified copy of a resolution, ordinance or other official action of Lessee's governing body, substantially in the form attached hereto as *Exhibit C-1A* or *Exhibit C-1B*, as applicable, authorizing the execution and delivery of this Agreement and the applicable Lease and related Escrow Agreement, if any, entered into pursuant hereto and performance by Lessee of its obligations under this Agreement and the applicable Lease and related Escrow Agreement, if any, entered into pursuant hereto;
- (iv) A Certificate completed and executed by the Clerk or Secretary or other comparable officer of Lessee, substantially in the form attached hereto as *Exhibit C-2A* or *Exhibit C-2B*, as applicable, completed to the satisfaction of Lessor;
- (v) An opinion of counsel to Lessee, substantially in the form attached hereto as *Exhibit D*, and otherwise satisfactory to Lessor;
- (vi) Evidence of insurance as required by Section 7.02 hereof;
- (vii) All documents, including financing statements, affidavits, notices and similar instruments, which Lessor deems necessary or appropriate at that time pursuant to Section 6.02 hereof;
- (viii) A waiver or waivers of interest in the Equipment from any mortgagee or any other party having an interest in the real estate on which the Equipment will be located and/or landlord of the real estate on which the Equipment will be located;
- (ix) Reserved;
- (x) A copy of the Form 8038-G with respect to the Lease then being entered into, fully completed and executed by Lessee;

(xi) In the event that Lessee is to be reimbursed for expenditures that it has paid more than sixty (60) days prior to the Commencement Date for the Lease then being entered into, evidence of the adoption of a reimbursement resolution or other official action covering the reimbursement from tax exempt proceeds of expenditures incurred not more than sixty (60) days prior to the date of such resolution;

(xii) If any items of Equipment are motor vehicles, properly completed certificates of title or certificates of origin (or applications therefor) for such vehicles with Lessor's interest noted thereon in accordance with the instructions of Lessor;

(xiii) Copies of invoices (and proofs of payment of such invoices, if Lessee seeks reimbursement) and bills of sale (if title to Equipment has passed to Lessee), to the extent required by Section 5.01(b) hereof;

(xiv) Wire instructions for payments to be made to Vendors and Form W-9 from each such Vendor; and

(xv) Such other items as are set forth in the related Equipment Schedule or are reasonably required by Lessor.

(b) In addition to satisfaction of the conditions set forth in subsection (a) of this Section 3.04, the performance by Lessor of any of its obligations under the Related Documents shall be subject to: (i) no Material Adverse Change having occurred since the date of this Agreement, (ii) no Event of Default having occurred and then be continuing under any Lease then in effect, (iii) no Event of Non-appropriation under any Lease then in effect having occurred or being threatened, and (iv) no Lease having been terminated as the result of the occurrence of an Event of Default or an Event of Non-appropriation.

(c) Subject to satisfaction of the foregoing, (i) Lessor will pay the Acquisition Amount for Equipment described in an Equipment Schedule to the Vendor or reimburse Lessee for its prior expenditures with respect to such Equipment (subject to satisfaction of Section 3.04(a)(xi) hereof), upon receipt of the documents described in Sections 5.01(a) and (b) hereof; or (ii) if an Escrow Account is being established with respect to the related Lease, Lessor will deposit the Acquisition Amount for Equipment described in the applicable Equipment Schedule with the Escrow Agent to be held and disbursed pursuant to the related Escrow Agreement.

(d) This Agreement is not a commitment by Lessor or Lessee to enter into any Lease not currently in existence, and nothing in this Agreement shall be construed to impose any obligation upon Lessor or Lessee to enter into any proposed Lease, it being understood that whether Lessor or Lessee enters into any proposed Lease shall be a decision solely within their respective discretion.

(e) Lessee will cooperate with Lessor in Lessor's review of any proposed Lease. Without limiting the foregoing, Lessee will provide Lessor with any documentation or

information Lessor may request in connection with Lessor's review of any proposed Lease. Such documentation may include, without limitation, documentation concerning the Equipment and its contemplated use and location and documentation or information concerning the financial status of Lessee and other matters related to Lessee.

(f) In the event of any conflict in terms between an Equipment Schedule and this Agreement, the terms of the Equipment Schedule shall control in the interpretation of the Lease created thereby.

ARTICLE IV

Section 4.01. Rental Payments. Subject to Section 3.03 of this Agreement, Lessee shall promptly pay Rental Payments, in lawful money of the United States of America, to Lessor on the Rental Payment Dates and in such amounts as provided in each Lease. If any Rental Payment or other amount payable hereunder is not paid within ten (10) days of its due date, Lessee shall pay an administrative late charge of five percent (5%) of the amount not timely paid or the maximum amount permitted by law, whichever is less. Lessee shall not permit the Federal Government to guarantee any Rental Payments under any Lease. Rental Payments consist of principal and interest components as more fully detailed on the Payment Schedule for each Lease, the interest on which begins to accrue as of the Commencement Date for each such Lease.

Section 4.02. Interest and Principal Components. A portion of each Rental Payment is paid as, and represents payment of, interest, and the balance of each Rental Payment is paid as, and represents payment of, principal. Each Lease shall set forth the principal and interest components of each Rental Payment payable thereunder during the applicable Lease Term.

Section 4.03. Rental Payments to Constitute a Current Expense of Lessee. Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments under each Lease shall constitute a current expense of Lessee payable solely from its general fund or other funds that are legally available for that purpose and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by Lessee, nor shall anything contained in this Agreement or in any Lease constitute a pledge of the general tax revenues, funds or moneys of Lessee.

Section 4.04. Rental Payments to be Unconditional. Except as provided in Section 3.03 of this Agreement, the obligations of Lessee to make Rental Payments and to perform and observe the other covenants and agreements contained in each Lease shall be absolute and unconditional in all events without abatement, diminution, deduction, set-off or defense, for any reason, including without limitation any failure of the Equipment, disputes with the Lessor or the Vendor of any Equipment, any defects, malfunctions, breakdowns or infirmities in the Equipment or any accident, condemnation or unforeseen circumstances or failure of any Vendor to deliver any Equipment or otherwise perform any of its obligations for whatever reason, including bankruptcy, insolvency, reorganization or any similar event with respect to any Vendor.

Section 4.05 Tax Covenants. Lessee agrees that it will not take any action that would cause the interest component of Rental Payments to be or to become ineligible for the exclusion from gross income of the owner or owners thereof for Federal income tax purposes, nor will it omit to take or cause to be taken, in a timely manner, any action, which omission would cause the interest component of Rental Payments to be or to become ineligible for the exclusion from gross income of the owner or owners thereof for Federal income tax purposes. In connection with the foregoing, Lessee hereby agrees that (a) so long as any Rental Payments under a Lease remain unpaid, moneys on deposit in the Escrow Account under any Escrow Agreement related to such Lease shall not be used in a manner that will cause such Lease to be classified as an "arbitrage bond" within the meaning of Section 148(a) of the Code; and (b) Lessee shall rebate, from funds legally available for the purpose, an amount equal to excess earnings on the Escrow Account under any Escrow Agreement to the Federal Government if required by, and in accordance with, Section 148(f) of the Code, and make the determinations and maintain the records required by the Code.

Section 4.06. Event of Taxability. Upon the occurrence of an Event of Taxability with respect to a Lease, the interest component of Rental Payments under such Lease and any charge on Rental Payments or other amounts payable based on the Contract Rate shall have accrued and be payable at the Taxable Rate applicable to such Lease retroactive to the date as of which the interest component is determined by the Internal Revenue Service to be includible in the gross income of the owner or owners thereof for Federal income tax purposes (which retroactive date for such Lease shall be the earliest date as of which the interest component of any Rental Payment for such Lease is deemed includible in the gross income of the owner or owners thereof for Federal income tax purposes, which may be earlier than the date of delivery of such determination by the Internal Revenue Service), and Lessee will pay such additional amount as will result in the owner receiving the interest component at the Taxable Rate identified in the related Lease.

For purposes of this Section, "*Event of Taxability*" means the circumstance of the interest component of any Rental Payment paid or payable pursuant to a Lease becoming includible for Federal income tax purposes in an owner's gross income as a consequence of any act, omission or event whatsoever, including but not limited to the matters described in the immediately succeeding sentence, and regardless of whether the same was within or beyond the control of Lessee. An Event of Taxability shall be presumed to have occurred upon (a) the receipt by Lessor or Lessee of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency or other written correspondence which legally holds that the interest component of any Rental Payment under such Lease is includable in the gross income of the owner thereof; (b) the issuance of any public or private ruling of the Internal Revenue Service that the interest component of any Rental Payment under such Lease is includable in the gross income of the owner thereof; or (c) receipt by Lessor or Lessee of a written opinion of a nationally recognized firm of attorneys experienced in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions, selected by Lessor and acceptable to Lessee, to the effect that the interest component of any Rental Payment under a Lease has become includable in the gross income of the owner thereof for Federal income tax purposes. For all purposes of this definition, an Event of Taxability shall

be deemed to occur on the date as of which the interest component of any Rental Payment is deemed includable in the gross income of the owner thereof for Federal income tax purposes.

Section 4.07. Mandatory Prepayment. If the Acquisition Amount for a Lease is deposited into an Escrow Account, any funds not applied to Equipment Costs and remaining in such Escrow Account on the earlier of (a) the expiration of the applicable Acquisition Period, (b) the date on which Lessee delivers to the Lessor the executed Disbursement Request to effect the final disbursement to pay (or reimburse) Equipment Costs from such Escrow Account or (c) a termination of the Escrow Account as provided in the Escrow Agreement shall be applied by Lessor on each successive Rental Payment Date thereafter to pay all or a portion of the Rental Payment due and owing in the succeeding twelve (12) months and any remaining amounts shall be applied by Lessor as prepayment to the applicable unpaid Principal Portion of Rental Payments owing under the related Lease in the inverse order of the Rental Payment Dates.

ARTICLE V

Section 5.01. Acquisition, Delivery Installation and Acceptance of Equipment. (a) With respect to each Lease, Lessee shall order the Equipment to be acquired and financed thereunder, cause the Equipment to be delivered and installed at the location specified in such Lease and pay any and all delivery and installation costs and other Equipment Costs in connection therewith. When the Equipment listed in a Lease has been delivered and installed, Lessee shall promptly accept such Equipment and evidence said acceptance by executing and delivering to Lessor a Final Acceptance Certificate in the form attached hereto as *Exhibit E*; *provided, however*, that if an Escrow Account has been established with respect to such Lease as provided in Section 3.04 hereof, Lessee shall execute and deliver Disbursement Requests to the Lessor pursuant to the related Escrow Agreement for the purpose of effecting disbursements from the Escrow Account to pay (or reimburse) Equipment Costs for the Equipment so acquired and installed pursuant to such Lease. In connection with the execution and delivery by Lessee to Lessor of the final Disbursement Request under the applicable Escrow Agreement for a Lease, Lessee shall deliver to Lessor a "Final Acceptance Certificate" in the form attached hereto as *Exhibit E*.

(b) (i) With respect to a Lease entered into without an Escrow Agreement, Lessee shall deliver to Lessor copies of invoices (and proof of payment of such invoices if Lessee seeks reimbursement for prior expenditures) and bills of sale (if title to such Equipment has passed to Lessee) relating to each item of Equipment accepted by Lessee. Lessee shall execute and deliver to Lessor an Equipment Schedule pursuant to Section 3.04(a)(i) within 5 business days of receipt from Lessor, subject to satisfaction of the conditions set forth in Section 3.04.

(ii) With respect to a Lease entered into with an Escrow Agreement, Lessor shall prepare an Equipment Schedule. In connection with the execution and delivery of the related Escrow Agreement, Lessee shall execute and deliver to Lessor such Equipment Schedule pursuant to Section 3.04(a)(i) within 5 business days of receipt, subject to satisfaction of the conditions set forth in Section 3.04. Lessee shall deliver to Lessor together with each Disbursement Request invoices (and proof of payment of such invoices if Lessee seeks reimbursement for prior expenditures) and bills of sale or other evidence of title transfer to

Lessee relating to each item of Equipment accepted by Lessee as evidenced by such Disbursement Request. Once approved, Lessor shall deliver such Disbursement Request to the Escrow Agent for disbursement from the Escrow Account in accordance with the Escrow Agreement.

Section 5.02. Quiet Enjoyment of Equipment. So long as no Event of Default exists under the related Lease, neither Lessor nor any entity claiming by, through or under Lessor, shall interfere with Lessee's quiet use and enjoyment of the Equipment during the Lease Term under such Lease.

Section 5.03. Location; Inspection. Once installed, no item of the Equipment will be moved or relocated from the location (or the base location with respect to motor vehicles or the designated primary hanger location for aircraft) specified for it in the related Lease without Lessor's prior written consent, which consent shall not be unreasonably withheld. Temporary use of locations other than the base location for motor vehicles or the primary hanger location for aircraft do not require Lessor's consent, if such use is consistent with the operational needs of the Lessee. Lessor shall have the right at all reasonable times during regular business hours to enter into and upon the property where the Equipment is located for the purpose of inspecting the Equipment.

Section 5.04. Use and Maintenance of the Equipment. Lessee shall not install, use, operate or maintain the Equipment (or cause the Equipment to be installed, used, operated or maintained) improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by the related Lease. Lessee shall provide all permits and licenses, if any, necessary for the installation and operation of the Equipment. In addition, Lessee agrees to comply in all respects with all applicable laws, regulations and rulings of any legislative, executive, administrative or judicial body, including, without limitation, all anti-money laundering laws and regulations; *provided* that Lessee may contest in good faith the validity or application of any such law, regulation or ruling in any reasonable manner that does not, in the opinion of Lessor, adversely affect the interest of Lessor in and to the Equipment or its interest or rights under the related Lease.

Lessee agrees that it shall maintain, preserve and keep the Equipment in good repair and working order, in a condition comparable to that recommended by the manufacturer. Lessor shall have no responsibility to maintain, repair or make improvements or additions to the Equipment. In all cases, Lessee agrees to pay any costs necessary for the manufacturer to re-certify the Equipment as eligible for manufacturer's maintenance upon the return of the Equipment to Lessor as provided for in Sections 3.03 and 12.02(b) of this Agreement.

Lessee shall not alter any item of Equipment or install any accessory, equipment or device on an item of Equipment if that would impair any applicable warranty, the originally intended function or the value of that Equipment. All repairs, parts, accessories, equipment and devices furnished, affixed to or installed on any Equipment, excluding temporary replacements, shall thereupon become subject to the security interest of Lessor.

ARTICLE VI

Section 6.01. Title to the Equipment. During the Lease Term under each Lease, and so long as Lessee is either not in default under Article XII hereof or an Event of Non-appropriation has not occurred, all right, title and interest in and to each item of the Equipment under the related Lease shall be vested in Lessee immediately upon its acceptance of each item of Equipment, subject to the terms and conditions hereof and under the applicable Lease. Lessee shall at all times protect and defend, at its own cost and expense, its title, and Lessor's first priority security interest, in and to the Equipment (and Lessor's other Collateral as defined in Section 6.02 hereof) from and against all claims, liens and legal processes of its creditors, and keep all Equipment (and such other Collateral) free and clear of all such claims, liens and processes. Upon the occurrence of an Event of Default under a Lease or upon termination of a Lease pursuant to Section 3.03 hereof, full and unencumbered legal title to the Equipment shall, at Lessor's option, pass to Lessor, and Lessee shall have no further interest therein. In addition, upon the occurrence of such an Event of Default or such termination, Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of such legal title to Lessor and the termination of Lessee's interest therein, and upon request by Lessor shall deliver possession of the Equipment to Lessor in accordance with Section 3.03 or 12.02 of this Agreement, as applicable. Upon payment of all amounts due and owing under a Lease by Lessee in accordance with Section 10.01 hereof (including upon payment of all Rental Payments and other amounts payable under such Lease), Lessor's security interest or other interest in the Equipment under such Lease shall terminate, and Lessor shall execute and deliver to Lessee such documents as Lessee may request to evidence the termination of Lessor's security interest in the Equipment subject to the related Lease.

Section 6.02. Security Interest. As additional security for the payment and performance of all of Lessee's obligations under each Lease, upon the execution of such Lease, Lessee hereby grants to Lessor a first priority security interest constituting a first lien on (a) the Equipment subject to such Lease, (b) moneys and investments held from time to time in any related Escrow Account and (c) any and all proceeds of any of the foregoing, including, without limitation, insurance proceeds (collectively, the "Collateral"). Upon the execution of each Lease, Lessee authorizes Lessor to file (and Lessee agrees to execute, if applicable) such notices of assignment, chattel mortgages, financing statements and other documents, in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain Lessor's security interest in the Collateral, including, without limitation, such financing statements with respect to personal property and fixtures under Article 9 of the Uniform Commercial Code in effect in the State and treating such Article 9 as applicable to entities such as Lessee.

Section 6.03. Personal Property; No Encumbrances. Lessee agrees that the Equipment is deemed to be and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon. Lessee shall not create, incur, assume or permit to exist any mortgage, pledge, lien, security interest, charge or other encumbrance of any nature whatsoever on any of the real estate where the Equipment under a Lease is or will be located or enter into any

agreement to sell or assign or enter into any sale/leaseback arrangement of such real estate without the prior written consent of Lessor; *provided*, that if Lessor or its assigns is furnished with a waiver of interest in the Equipment under such Lease acceptable to Lessor or its assigns in their respective discretion from any party taking an interest in any such real estate prior to such interest taking effect, such consent shall not be unreasonably withheld.

ARTICLE VII

Section 7.01. Liens, Taxes, Other Governmental Charges and Utility Charges. Lessee shall keep the Equipment under each Lease free of all levies, liens, and encumbrances except those created by such Lease. The parties to this Agreement contemplate that the Equipment under each Lease will be used for a governmental or proprietary purpose of Lessee and that the Equipment will therefore be exempt from all property taxes. If the lease, sale, purchase, operation, use, possession or acquisition of any Equipment is nevertheless determined to be subject to taxation, Lessee shall pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to such Equipment. Lessee shall pay all utility and other charges incurred in the operation, use and maintenance of the Equipment. Lessee shall pay such taxes, assessments or charges as the same may become due; *provided* that, with respect to any such taxes, assessments or charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments as accrue during the Lease Term under the affected Lease. During the Lease Term under each Lease, Lessor will not claim ownership of the Equipment thereunder for the purposes of any tax credits, benefits or deductions with respect to such Equipment.

Section 7.02. Insurance. Lessee shall, during the Lease Term under each Lease, maintain or cause to be maintained (a) casualty insurance naming Lessor and its assigns as loss payee and insuring the Equipment against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State, and any other risks reasonably required by Lessor, in an amount at least equal to the greater of (i) the then applicable Casualty Value of the Equipment under such Lease or (ii) the replacement cost of such Equipment; (b) liability insurance naming Lessor and its assigns as additional insured that protects Lessor from liability for bodily injury and property damage coverage (i) in such coverage amounts as may be required by Lessor for the applicable Equipment or (ii) in such minimum coverage amounts as may be agreed upon between Lessor and Lessee in connection with the execution and delivery of a Lease, and in all events under clauses (a) and (b) issued in form and amount satisfactory to Lessor and by an insurance company that is authorized to do business in the State and having a financial strength rating by A.M. Best Company of "A-" or better; and (c) worker's compensation coverage as required by the laws of the State. Notwithstanding the foregoing, Lessee may self-insure against the risks described in clauses (a) and/or (b) through a government pooling arrangement, self-funded loss reserves, risk retention program or other self-insurance program, in each case with Lessor's prior consent (which Lessor may grant, withhold or deny in its sole discretion) and *provided* that Lessee has delivered to Lessor such information as Lessor may request with respect to the adequacy of such self-insurance to cover the risks proposed to be self-insured and otherwise in form and substance acceptable to Lessor. In the event Lessee is permitted, at Lessor's sole discretion, to self-insure as provided in this Section 7.02, Lessee shall

provide to Lessor a self-insurance letter in substantially the form attached hereto as *Exhibit F*. Lessee shall furnish to Lessor evidence of such insurance or self-insurance coverage throughout the Lease Term under each Lease. Lessee shall not cancel or modify such insurance or self-insurance coverage in any way that would affect the interests of Lessor without first giving written notice thereof to Lessor at least thirty (30) days in advance of such cancellation or modification.

Section 7.03. Risk of Loss. Whether or not covered by insurance or self-insurance, Lessee hereby assumes all risk of loss of, or damage to and liability related to injury or damage to any persons or property arising from the Equipment under any Lease from any cause whatsoever, and no such loss of or damage to or liability arising from the Equipment under any Lease shall relieve Lessee of the obligation to make the Rental Payments or to perform any other obligation under any Lease. Whether or not covered by insurance or self-insurance, Lessee hereby agrees to reimburse Lessor (to the fullest extent permitted by applicable law, but only from legally available funds) for any and all liabilities, obligations, losses, costs, claims, taxes or damages suffered or incurred by Lessor, regardless of the cause thereof and all expenses incurred in connection therewith (including, without limitation, counsel fees and expenses, and penalties connected therewith imposed on interest received) arising out of or as a result of (a) entering into this Agreement or any Lease or any of the transactions contemplated hereby or thereby, (b) the ordering, acquisition, ownership, use, operation, condition, purchase, delivery, acceptance, rejection, storage or return of any item of the Equipment under any Lease, (c) any accident in connection with the operation, use, condition, possession, storage or return of any item of the Equipment under any Lease resulting in damage to property or injury to or death to any person, and/or (d) the breach of any covenant of Lessee under or in connection with this Agreement or any Lease or any material misrepresentation provided by Lessee under or in connection with this Agreement or any Lease. The provisions of this Section 7.03 shall continue in full force and effect notwithstanding the full payment of all obligations under any or all Leases or the termination of the Lease Term under any or all Leases for any reason.

Section 7.04. Advances. In the event Lessee shall fail to keep the Equipment in good repair and working order or shall fail to maintain any insurance required by Section 7.02 hereof, Lessor may, but shall be under no obligation to, maintain and repair the Equipment or obtain and maintain any such insurance coverages, as the case may be, and pay the cost thereof. All amounts so advanced by Lessor shall constitute additional rent for the then current Original Term or Renewal Term under the affected Lease, and Lessee covenants and agrees to pay such amounts so advanced by Lessor with interest thereon from the due date until paid at a rate equal to the Contract Rate (or the Taxable Rate if then in effect) *plus* five percent (5%) per annum or the maximum amount permitted by law, whichever is less.

ARTICLE VIII

Section 8.01. Damage, Destruction and Condemnation. If, prior to the termination of the Lease Term under the related Lease, (a) the Equipment or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of,

the Equipment or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, (i) Lessee and Lessor will cause the Net Proceeds of any insurance claim or condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Equipment or such part thereof and any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee or (ii) Lessee shall exercise its option to prepay the obligations under the affected Lease in accordance with Section 10.01(b) hereof.

If Lessee elects to replace any item of the Equipment (the "*Replaced Equipment*") pursuant to this Section 8.01, the replacement equipment (the "*Replacement Equipment*") shall be new or of a quality type, utility and condition at least as good as the Replaced Equipment and shall be of equal or greater value than the Replaced Equipment as determined and approved by Lessor in its sole discretion. Lessee shall grant to Lessor a first priority security interest in any such Replacement Equipment. Lessee shall represent, warrant and covenant to Lessor that each item of Replacement Equipment is free and clear of all claims, liens, security interests and encumbrances, excepting only those liens created by or through Lessor, and shall provide to Lessor any and all documents as Lessor may reasonably request in connection with the replacement, including, but not limited to, documentation in form and substance satisfactory to Lessor evidencing Lessor's security interest in the Replacement Equipment. Lessor and Lessee hereby acknowledge and agree that any Replacement Equipment acquired pursuant to this paragraph shall constitute "Equipment" for purposes of this Agreement and the related Lease. Lessee shall complete the documentation of Replacement Equipment on or before the next Rental Payment Date after the occurrence of a casualty event, or be required to prepay the obligations under the related Lease with respect to the damaged Equipment for an amount that shall be determined and approved by Lessor in its sole discretion.

For purposes of this Article VIII, the term "*Net Proceeds*" shall mean the amount remaining from the gross proceeds of any insurance claim or condemnation award or sale under threat of condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof.

Section 8.02. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 8.01, Lessee shall either (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds, or (b) pay or cause to be paid to Lessor the amount of the then applicable Casualty Value under the related Lease *plus* all other amounts then owing thereunder, and, upon such payment, the applicable Lease Term shall terminate and Lessor's security interest in the Equipment shall terminate as provided in Section 6.01 hereof. The amount of the Net Proceeds remaining, if any, after completing such repair, restoration, modification or improvement or after paying such Casualty Value for such Lease *plus* all other amounts then owing thereunder shall be retained by Lessee. If Lessee shall make any payments pursuant to this Section 8.02, Lessee shall not be entitled to any reimbursement therefor from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Article IV.

ARTICLE IX

Section 9.01. Disclaimer of Warranties. Lessor makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for use of any of the Equipment under each Lease, or any other warranty or representation, express or implied, with respect thereto and, as to Lessor, Lessee's acquisition of the Equipment under each Lease shall be on an "as is" basis. In no event shall Lessor be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Agreement, any Lease, any Equipment or the existence, furnishing, functioning or Lessee's use of any item, product or service provided for in this Agreement or any Lease.

Section 9.02. Vendor Agreements; Warranties. Lessee covenants that it shall not in any material respect amend, modify, rescind or alter any Vendor Agreement for any Lease without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Lessor hereby irrevocably appoints Lessee its agent and attorney-in-fact during the Lease Term under each Lease, so long as Lessee shall not be in default under such Lease, to assert from time to time whatever claims and rights (including without limitation warranties) relating to the Equipment that Lessor may have against a Vendor. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against the applicable Vendor of the Equipment and not against Lessor. Any such matter shall not have any effect whatsoever on the rights and obligations of Lessor with respect to any Lease, including the right to receive full and timely Rental Payments and other payments under each Lease. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties relating to any of the Equipment under each Lease.

ARTICLE X

Section 10.01. Prepayment; Payment in Full.

(a) *Prepayment.* Lessee shall have the option to prepay or satisfy all, but not less than all, of its obligations under a Lease, at the following times and upon the following terms:

(i) *Optional Prepayment.* From and after the date specified (if any) in the applicable Payment Schedule (the "*Prepayment Option Commencement Date*"), on the Rental Payment Dates specified in such Payment Schedule, upon not less than thirty (30) days prior written notice, and upon payment in full of the sum of all Rental Payments then due under the related Lease *plus* the then applicable Prepayment Price, which may include a prepayment premium on the unpaid Outstanding Balance as set forth in such Payment Schedule *plus* all other amounts then owing thereunder; or

(ii) *Casualty or Condemnation Prepayment.* In the event of substantial damage to or destruction or condemnation of substantially all of the Equipment listed in a Lease, on the day specified in Lessee's notice to Lessor of its exercise of the prepayment

option (which shall be the earlier of the next Rental Payment Date or sixty (60) days after the casualty event) upon payment in full to Lessor of (A) in the event such prepayment occurs on a Rental Payment Date, the sum of (i) all Rental Payments then due under such Lease *plus* (ii) the then applicable Casualty Value for such Lease *plus* (iii) all other amounts then owing thereunder OR, (B) in the event such prepayment for such Lease occurs on a date other than a Rental Payment Date, the sum of (i) the applicable Casualty Value shown on the Payment Schedule for such Lease for the Rental Payment Date immediately preceding the applicable date of such prepayment (or if the date of such prepayment occurs prior to the first Rental Payment Date for such Lease, the earliest Casualty Value shown on the related Payment Schedule) *plus* (ii) accrued interest at the Contract Rate (or the Taxable Rate if then in effect) on the Outstanding Balance as of the Rental Payment Date immediately preceding the applicable date of such prepayment from such Rental Payment Date (or if the date of such prepayment occurs prior to the first Rental Payment Date, the Commencement Date for such Lease) to the date of such prepayment *plus* (iii) all other amounts then owing thereunder.

(b) *Payment in Full.* Upon the expiration of the Lease Term under a Lease, the payment in full of all Rental Payments then due and all other amounts then owing under such Lease by Lessee to Lessor.

(c) Lessor's security interests in and to the related Equipment under such Lease will be terminated and Lessee will own such Equipment free and clear of Lessor's security interest in such Equipment after either (i) payment of either (A) the applicable Prepayment Price and all other amounts then owing under a Lease in accordance with Section 10.01(a)(i) of this Agreement or (B) the applicable Casualty Value and all other amounts then owing under a Lease in accordance with Section 10.01(a)(ii) of this Agreement or (ii) upon the expiration of the Lease Term of a Lease and payment in full of all Rental Payments then due and all other amounts then owing thereunder in accordance with Section 10.01(b) of this Agreement.

ARTICLE XI

Section 11.01. Assignment by Lessor. (a) Lessor's right, title and interest in and to the Rental Payments and any other amounts payable by Lessee under any and all of the Leases and the Escrow Agreement relating to any Lease, its security interest in the Equipment subject to the related Lease and in any related Escrow Account, and all proceeds therefrom (collectively, with respect to each Lease and related Escrow Agreement, the "*Related Assigned Rights*"), may be assigned and reassigned by Lessor at any time, in whole or in part, to one or more assignees or sub-assignees without the necessity of obtaining the consent of Lessee; *provided*, that any such assignment, transfer or conveyance (i) shall be made only to investors each of whom Lessor reasonably believes is a "*qualified institutional buyer*" as defined in Rule 144A(a)(1) promulgated under the Securities Act of 1933, as amended, or an "*accredited investor*" as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act of 1933, as amended, and in either case is purchasing the Related Assigned Rights (or any interest therein) for its own account with no present intention to resell or distribute such Related Assigned Rights (or interest therein), subject to each investor's right at any time to dispose of the

Related Assigned Rights (or any interest therein) as it determines to be in its best interests, (ii) shall not result in more than 35 owners of the Related Assigned Rights with respect to a Lease or the creation of any interest in the Related Assigned Rights with respect to a Lease in an aggregate principal component that is less than \$100,000 and (iii) shall not require Lessee to make Rental Payments, to send notices or otherwise to deal with respect to matters arising under the Related Assigned Rights with respect to a Lease with or to more than one Lease Servicer (as such term is defined below), and any trust agreement, participation agreement or custodial agreement under which multiple ownership interests in the Related Assigned Rights with respect to a Lease are created shall provide the method by which the owners of such interests shall establish the rights and duties of a single entity, trustee, owner, servicer or other fiduciary or agent acting on behalf of all of the assignees (herein referred to as the "*Lease Servicer*") to act on their behalf with respect to the Related Assigned Rights with respect to a Lease, including with respect to the exercise of rights and remedies of Lessor on behalf of such owners upon the occurrence of an Event of Default or an Event of Non-appropriation under the related Lease. Lessor and Lessee hereby acknowledge and agree that the restrictions and limitations on transfer as provided in this Section 11.01 shall apply to the first and subsequent assignees and sub-assignees of any of the Related Assigned Rights with respect to a Lease (or any interest therein).

(b) Unless to an affiliate controlling, controlled by or under common control with Lessor, no assignment, transfer or conveyance permitted by this Section 11.01 shall be effective as against Lessee until Lessee shall have received seven (7) days prior written notice of assignment that discloses the name and address of each such assignee; *provided*, that if such assignment is made to a bank or trust company as trustee or paying agent for owners of certificates of participation, participation interests, trust certificates or partnership interests with respect to the Rental Payments payable under a Lease, it shall thereafter be sufficient that Lessee receives notice of the name and address of the bank, trust company or other entity that acts as the Lease Servicer for such Lease. Notices of assignment provided pursuant to this Section 11.01(b) shall contain a confirmation of compliance with the transfer requirements imposed by Section 11.01(a) hereof. During the Lease Term under each Lease, Lessee shall keep, or cause to be kept, a complete and accurate record of all such assignments in form necessary to comply with Section 149 of the Code. Lessee shall retain all such notices as a register of all assignees and shall make all payments to the assignee or assignees or Lease Servicer last designated in such register. Lessee shall not have the right to and shall not assert against any assignee any claim, counterclaim or other right Lessee may have against Lessor or any Vendor. Assignments in part may include, without limitation, assignment of all of Lessor's security interest in and to the Equipment listed in a particular Lease and all rights in, to and under the Lease related to such Equipment and all of Lessor's security interest in and to the related Escrow Account, or all rights in, to and under the related Escrow Agreement.

(c) If Lessor notifies Lessee of its intent to assign a Lease, Lessee agrees that it shall execute and deliver to Lessor a Notice and Acknowledgement of Assignment with respect to such Lease, substantially in the form of *Exhibit H* attached hereto, within five (5) business days after its receipt of such request.

Section 11.02. Assignment and Subleasing by Lessee. None of Lessee's right, title and interest in, to and under this Agreement, any Lease or any portion of the Equipment, any Escrow Agreement or the Escrow Account related thereto may be assigned, encumbered or subleased by Lessee for any reason, and any purported assignment, encumbrance or sublease without Lessor's prior written consent shall be null and void.

ARTICLE XII

Section 12.01. Events of Default Defined. Any of the following events shall constitute an "Event of Default" under a Lease:

(a) Failure by Lessee to (i) pay any Rental Payment or other payment required to be paid under any Lease within ten (10) days of the date when due as specified therein, (ii) maintain insurance as required under such Lease (including Section 7.02 of this Agreement, which is incorporated therein), or (iii) observe and perform any covenant, condition or agreement on its part to be observed or performed under Section 6.01 or 6.02 hereof for any Lease;

(b) Failure by Lessee to observe and perform any covenant, condition or agreement contained in this Agreement or any Lease on its part to be observed or performed, other than as referred to in subsection (a) above, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; *provided* that, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;

(c) Any statement, representation or warranty made by Lessee in or pursuant to this Agreement or any Lease or its execution, delivery or performance shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;

(d) Any default occurs under any other agreement for borrowing money, lease financing of property or otherwise receiving credit under which Lessee is an obligor, if such default (i) arises under any other agreement for borrowing money, lease financing of property or provision of credit provided by Lessor or any affiliate of Lessor (including, without limitation, the occurrence of any Event of Default under any other Lease), or (ii) arises under any obligation under which there is outstanding, owing or committed an aggregated amount in excess of \$100,000.00;

(e) Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an

order for relief entered against it under applicable Federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization, moratorium or insolvency proceeding; or

(f) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator for Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of thirty (30) consecutive days.

Section 12.02. Remedies on Default. Whenever any Event of Default exists under any Lease, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps with respect to any or all Leases with an Event of Default under this Agreement, including those with an Event of Default pursuant to Section 12.01(d) (each a “Defaulted Lease”):

(a) By written notice to Lessee, Lessor may declare all Rental Payments payable by Lessee pursuant to one or more Defaulted Leases and other amounts payable by Lessee under each such Defaulted Lease to the end of the then current Original Term or Renewal Term to be immediately due and payable;

(b) With or without terminating the Lease Term under any one or more Defaulted Leases, Lessor may enter the premises where the Equipment listed in any one or more of each such Defaulted Leases is located and retake possession of such Equipment or require Lessee at Lessee’s expense to promptly return any or all of such Equipment to the possession of Lessor at such place within the United States as Lessor shall specify, and sell or lease such Equipment or, for the account of Lessee, sublease such Equipment, continuing to hold Lessee liable, but solely from legally available funds, for the difference between (i) the Rental Payments payable by Lessee pursuant to each such Defaulted Lease and other amounts related to each such Defaulted Lease that are payable by Lessee to the end of the then current Original Term or Renewal Term, as the case may be, and (ii) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of Lessor in exercising its remedies under each such Defaulted Lease, including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing such Equipment and all brokerage, auctioneer’s and attorney’s fees), subject, however, to the provisions of Section 3.03 of this Agreement. The exercise of any such remedies respecting any such Event of Default under any such Defaulted Lease shall not relieve Lessee of any other liabilities under each such Defaulted Lease or any other Lease that Lessor determines not to treat as a Defaulted Lease or with respect to the Equipment listed therein;

(c) Lessor may terminate the Escrow Agreement relating to any one or more of such Defaulted Leases and apply any proceeds in each such applicable Escrow

Account thereunder to the Rental Payments scheduled to be paid under any one or more of such Defaulted Leases as Lessor shall determine; and/or

(d) Lessor may take whatever action at law or in equity as may appear necessary or desirable to enforce its rights under any one or more of such Defaulted Leases or each such Escrow Agreement relating thereto or as a secured party in any or all of the Equipment subject to any one or more of such Defaulted Leases or with respect to the related Escrow Account for one or more of such Defaulted Leases.

Section 12.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder and/or under any Lease now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Article XII it shall not be necessary to give any notice other than such notice as may be required in this Article XII.

Section 12.04. Application of Moneys. Any net proceeds from the exercise of any remedy under this Agreement, including the application specified in Section 12.02(b)(ii) (after deducting all expenses of Lessor in exercising such remedies including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing Equipment and all brokerage, auctioneer's or attorney's fees), shall be applied as follows:

(a) If such remedy is exercised solely with respect to a single Defaulted Lease, Equipment listed in such Defaulted Lease or rights thereunder, then to amounts due pursuant to such Defaulted Lease and to other amounts related to such Defaulted Lease or such Equipment.

(b) If such remedy is exercised with respect to more than one Defaulted Lease, Equipment listed in more than one Defaulted Lease or rights under more than one Defaulted Lease, then to amounts due pursuant to one or more of such Defaulted Leases as Lessor shall determine and distribute on a pro rata basis or on such other basis as Lessor shall determine.

ARTICLE XIII

Section 13.01. Notices. All notices, certificates or other communications under this Agreement or any Lease shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, or delivered by overnight courier, or sent by facsimile transmission (with electronic confirmation) to the parties hereto at the addresses immediately after the signatures to this Agreement (or at such other address as either party hereto shall designate in writing to the other for notices to such party) and to any assignee at its address as it appears on the registration books maintained by Lessee.

Section 13.02. Binding Effect. This Agreement and each Lease shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

Section 13.03. Severability. In the event any provision of this Agreement or any Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof or thereof.

Section 13.04. Amendments, Changes and Modifications. This Agreement and each Lease may only be amended by Lessor and Lessee in writing.

Section 13.05. Execution in Counterparts. This Agreement and each Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument; *provided* that only Counterpart No. 1 of each Lease (including the terms and provisions of this Agreement incorporated therein by reference) shall constitute chattel paper for purposes of the applicable Uniform Commercial Code.

Section 13.06. Applicable Law; Venue; Waiver of Jury Trial. This Agreement and each Lease shall be governed by and construed in accordance with the laws of the State. The parties hereto consent and submit to the jurisdiction of the State and venue in any state or Federal court of such State for the purposes of any suit, action or other proceeding arising in connection with this Agreement or any Lease, and each party expressly waives any objections that it may have to the venue of such courts. The parties hereto expressly waive any right to trial by jury in any action brought on or with respect to this Agreement or any Lease.

Section 13.07. Captions. The captions or headings in this Agreement and in each Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement or any Lease.

Section 13.08. No Advisory or Fiduciary Relationship. In connection with all aspects of each transaction contemplated by this Agreement and each Lease thereunder (including in connection with any amendment, waiver or other modification hereof or of any other related document), the Lessee acknowledges and agrees that: (a) (i) the transactions regarding this Agreement and each Lease thereunder provided by the Lessor and any affiliate thereof are arm's-length commercial transactions between the Lessee, on the one hand, and the Lessor and its affiliates, on the other hand, (ii) the Lessee has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the Lessee is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated by this Agreement and each Lease thereunder and by the other related documents; (b) (i) the Lessor and its affiliates each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary, for the Lessee, or any other person and (ii) neither the Lessor nor any of its affiliates has any obligation to the Lessee with respect to the transactions contemplated by this Agreement and each Lease thereunder except those obligations expressly set forth herein and in the other related documents; and (c) the Lessor and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Lessee, and neither

the Lessor nor any of its affiliates has any obligation to disclose any of such interests to the Lessee. To the fullest extent permitted by law, the Lessee, hereby waives and releases any claims that it may have against the Lessor or any of its affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated by this Agreement and each Lease thereunder.

Section 13.09. Entire Agreement. The parties agree that this Agreement and each Lease hereunder constitutes the final and entire agreement between the parties superseding all conflicting terms or provisions of any prior proposals, term sheets, solicitation documents, requests for proposals, award notices, approval letters or any other agreements or understandings between the parties.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Lessor and Lessee have caused this Master Equipment Lease/Purchase Agreement to be executed in their names by their duly authorized representatives as of the date first above written.

LESSOR:

Banc of America Public Capital Corp
11333 McCormick Road
Hunt Valley II
M/C MD5-032-07-05
Hunt Valley, MD 21031
Attention: Contract Administration
Fax No.: (443) 541-3057

LESSEE:

Orange County Fire Authority
One Fire Authority Road
Irvine, CA 92602

Attention: Tricia Jakubiak, Treasurer
Fax No.: (714) 368-8834

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

[SEAL]

LIST OF EXHIBITS

Exhibit A-1	Form of Equipment Schedule – General Equipment
Exhibit A-2	Form of Equipment Schedule – Energy Services Equipment
Exhibit B	Form of Payment Schedule
Exhibit C-1A	Form of Authorizing Resolution (Agreement)
Exhibit C-1B	Form of Authorizing Resolution (Lease)
Exhibit C-2A	Form of Incumbency and Authorization Certificate (Agreement)
Exhibit C-2B	Form of Incumbency and Authorization Certificate (Lease)
Exhibit D	Form of Opinion of Counsel to Lessee
Exhibit E	Form of Final Acceptance Certificate
Exhibit F	Form of Self-Insurance Certificate
Exhibit G	Reserved
Exhibit H	Form of Notice and Acknowledgement of Assignment
Exhibit I	Form of Escrow and Account Control Agreement

EXHIBIT A-1

FORM OF EQUIPMENT SCHEDULE NO. _____ - GENERAL EQUIPMENT

Re: Master Equipment Lease/Purchase Agreement, dated as of _____,
between Banc of America Public Capital Corp, a Kansas corporation, as
Lessor, and _____, as Lessee

1. *Defined Terms.* All terms used herein have the meanings ascribed to them in the above-referenced Master Equipment Lease/Purchase Agreement (the "*Agreement*").

2. *Equipment.* For purposes of the Lease created hereby, the following items of Equipment are hereby included under this Equipment Schedule together with all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto as provided in the Agreement.

QUANTITY	DESCRIPTION	SERIAL NO.	MODEL NO.	LOCATION
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3. *Payment Schedule.*

(a) *Rental Payments; Commencement Date.* The Rental Payments shall be in such amounts and payable on such Rental Payment Dates as set forth in the Payment Schedule attached to this Equipment Schedule and incorporated herein by this reference, subject to adjustment upon the occurrence of an Event of Taxability as provided in Section 4.06 of the Agreement. Lessee's obligation to pay Rental Payments under the Lease created hereby shall commence on the earlier of (i) the date on which the Equipment listed in this Equipment Schedule is accepted by Lessee in the manner described in Section 5.01 of the Agreement, as evidenced by the Final Acceptance Certificate executed by Lessee and substantially in the form of *Exhibit E* attached to the Agreement, or (ii) the date on which the Acquisition Amount is deposited in an Escrow Account for the purpose of acquiring and installing the Equipment listed in this Equipment Schedule pursuant to Section 3.04(c) of the Agreement (the earlier of such two dates being herein referred to as the "*Commencement Date*").

(b) *Prepayment Price Schedule.* The Prepayment Price on each Rental Payment Date shall be the amount set forth for such Rental Payment Date in the "Prepayment Price" column of

the Payment Schedule attached to this Equipment Schedule *plus* all Rental Payments then due (including the Rental Payment due on such Rental Payment Date) *plus* all other amounts then owing under this Equipment Schedule.

4. *Representations, Warranties and Covenants.* Lessee hereby represents, warrants and covenants that its representations, warranties and covenants set forth in the Agreement (particularly Section 2.01 thereof) are true and correct as though made on the Commencement Date. Lessee further represents and warrants that (a) no Material Adverse Change has occurred since the dated date of the Agreement; (b) no Event of Default has occurred and is continuing under any Lease currently in effect; (c) no Event of Non-appropriation under any Lease currently in effect has occurred or is threatened; (d) no Lease has been terminated as the result of the occurrence of an Event of Default or an Event of Non-appropriation; (e) the governing body of Lessee has authorized the execution and delivery of the Agreement and this Equipment Schedule; (f) the Equipment listed in this Equipment Schedule is essential to the functions of Lessee or to the services Lessee provides its citizens; (g) Lessee has an immediate need for, and expects to make immediate use of, substantially all such Equipment, which will be used by Lessee only for the purpose of performing one or more of Lessee's governmental or proprietary functions consistent with the permissible scope of its authority; and (h) Lessee expects and anticipates adequate funds to be available for all future payments or rent due after the current budgetary period.

5. *The Lease.* The terms and provisions of the Agreement (other than to the extent that they relate solely to other Equipment Schedules or Equipment listed on other Equipment Schedules) are hereby incorporated into this Equipment Schedule by reference and made a part hereof.

[OPTION: IF ESCROW AGREEMENT IS USED:

6. *Acquisition Amount.* The Acquisition Amount that Lessor shall pay to the Escrow Agent for deposit into the Escrow Account in connection with this Equipment Schedule is \$_____. It is expected that by [six (6)] [twelve (12)] [eighteen (18)] months from the date of this Equipment Schedule No. _____, Lessee will have taken possession of all items of Equipment shown above and that the Lessee's final Disbursement Request pursuant to the Escrow Agreement will be signed by Lessee, approved by Lessor and delivered to the Escrow Agent on or before [six (6)] [twelve (12)] [eighteen (18)] months from the date of this Equipment Schedule.

OR IF VENDOR PAID DIRECTLY USE:

6. *Acquisition Amount.* The Acquisition Amount for the Equipment listed in this Equipment Schedule to be paid to the Vendor (or reimbursed to Lessee) is \$ _____.]

[OPTION: IF ESCROW AGREEMENT IS USED:

7. *Acquisition Period.* The Acquisition Period applicable to this Equipment Schedule shall end at the conclusion of the ____ month following the date hereof.]

[OPTION: IF ESCROW AGREEMENT IS USED AND A SURETY BOND IS REQUIRED:

[8.] *Surety Bonds; Lessee to Pursue Remedies Against Contractors and Sub-Contractors and Their Sureties.* Lessee shall secure from each Vendor directly employed by Lessee in connection with the acquisition, construction, installation, improvement or equipping of the Equipment listed in this Equipment Schedule, a payment and performance bond ("Surety Bond") executed by a surety company authorized to do business in the State, having a financial strength rating by A.M. Best Company of "A-" or better, and otherwise satisfactory to Lessor and naming Lessor as a co-obligee in a sum equal to the entire amount to become payable under each Vendor Agreement. Each bond shall be conditioned on the completion of the work in accordance with the plans and specifications for the Equipment listed in this Equipment Schedule and upon payment of all claims of subcontractors and suppliers. Lessee shall cause the surety company to add Lessor as a co-obligee on each Surety Bond, and shall deliver a certified copy of each Surety Bond to Lessor promptly upon receipt thereof by Lessee. Any proceeds from a Surety Bond shall be applied in accordance with such Surety Bond to the payment and performance of the Vendor's obligations in accordance with the related Vendor Agreement and, if for whatever reason such proceeds are not so applied, first to amounts due Lessor under this Equipment Schedule, and any remaining amounts shall be payable to Lessee.

In the event of a material default of any Vendor under any Vendor Agreement in connection with the acquisition, construction, maintenance and/or servicing of the Equipment listed in this Equipment Schedule or in the event of a material breach of warranty with respect to any material workmanship or performance guaranty with respect to such Equipment, Lessee will promptly proceed to exhaust its remedies against the Vendor in default. Lessee shall advise Lessor of the steps it intends to take in connection with any such default. Any amounts received by Lessee in respect of damages, refunds, adjustments or otherwise in connection with the foregoing shall be paid to Lessor and applied against Lessee's obligations under this Equipment Schedule.

As a prerequisite to the performance by Lessor of any of its obligations under this Equipment Schedule, Lessee shall deliver to Lessor, in form and substance satisfactory to Lessor, a certified copy of each Surety Bond satisfying the conditions set forth in this Section ____, or, at Lessor's sole discretion, such Surety Bonds may be provided after the Commencement Date of this Equipment Schedule, provided however, that no "Disbursement Request" pursuant to the Escrow Agreement for this Equipment Schedule shall be authorized by Lessor until such Surety Bonds satisfying the conditions set forth in this Section _____ have been delivered to Lessor.

[7][8][9].*Lease Term.* The Lease Term shall consist of the Original Term and ____ consecutive Renewal Terms, with the final Renewal Term ending on _____, subject to earlier termination pursuant to the Agreement.

[OPTION: IF MOTOR VEHICLES ARE BEING FINANCED:

[8][9][10]. *Registration.* Any Equipment that is a motor vehicle is to be registered and titled as follows:

- (a) *Registered Owner:* [_____]
- (b) *Lienholder:* Banc of America Public Capital Corp
Bank of America Plaza
600 Peachtree Street NE, 11th Floor
Atlanta, GA 30308-2265

Lessee shall be responsible for the correct titling of all Equipment leased hereunder. Lessee will cause the original Certificates of Title to be delivered to Lessor for retention in Lessor's files throughout the Lease Term of the Lease created hereby.

Dated: _____

LESSOR:
Banc of America Public Capital Corp
11333 McCormick Road
Hunt Valley II
M/C MD5-032-07-05
Hunt Valley, MD 21031
Attention: Contract Administration
Fax No.: (443) 541-3057

LESSEE:

Attention: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Counterpart No. ____ of ____ manually executed and serially numbered counterparts. To the extent that the Lease created hereby constitutes chattel paper (as defined in the applicable Uniform Commercial Code), no security or ownership interest herein may be created through the transfer or possession of any Counterpart other than Counterpart No. 1.

EXHIBIT A-2

FORM OF EQUIPMENT SCHEDULE NO. _____ - ENERGY SERVICES EQUIPMENT

Re: Master Equipment Lease/Purchase Agreement, dated as of _____,
between Banc of America Public Capital Corp, a Kansas corporation, as
Lessor, and _____, as Lessee

1. *Defined Terms.* All terms used herein have the meanings ascribed to them in the above-referenced Master Equipment Lease/Purchase Agreement (the "*Agreement*").

2. *Equipment.*

(a) Location of Equipment: For purposes of the Lease created hereby, the location of Equipment is set forth below:

(b) Equipment Description (Scope of Work): For purposes of the Lease created hereby, the description of the Equipment and the scope of work is set forth below:

3. *Payment Schedule.*

(a) *Rental Payments; Commencement Date.* The Rental Payments shall be in such amounts and payable on such Rental Payment Dates as set forth in the Payment Schedule attached to this Equipment Schedule and incorporated herein by this reference, subject to adjustment upon the occurrence of an Event of Taxability as provided in Section 4.06 of the Agreement. Lessee's obligation to pay Rental Payments under the Lease created hereby shall commence on the earlier of (i) the date on which the Equipment listed in this Equipment Schedule is accepted by Lessee in the manner described in Section 5.01 of the Agreement, as evidenced by the Final Acceptance Certificate executed by Lessee and substantially in the form of *Exhibit E* attached to the Agreement, or (ii) the date on which the Acquisition Amount is deposited in an Escrow Account for the purpose of acquiring and installing the Equipment listed in this Equipment Schedule pursuant to Section 3.04(c) of the Agreement (the earlier of such two dates being herein referred to as the "*Commencement Date*").

(b) *Prepayment Price Schedule.* The Prepayment Price on each Rental Payment Date shall be the amount set forth for such Rental Payment Date in the "Prepayment Price" column of the Payment Schedule attached to this Equipment Schedule *plus* all Rental Payments then due (including the Rental Payment due on such Rental Payment Date) *plus* all other amounts then owing under this Equipment Schedule.

4. *Representations, Warranties and Covenants.* Lessee hereby represents, warrants and covenants that its representations, warranties and covenants set forth in the Agreement (particularly Section 2.01 thereof) are true and correct as though made on the Commencement Date. Lessee further represents and warrants that (a) no Material Adverse Change has occurred since the dated date of the Agreement; (b) no Event of Default has occurred and is continuing under any Lease currently in effect; (c) no Event of Non-appropriation under any Lease currently in effect has occurred or is threatened; (d) no Lease has been terminated as the result of the occurrence of an Event of Default or an Event of Non-appropriation; (e) the governing body of Lessee has authorized the execution and delivery of the Agreement and this Equipment Schedule; (f) the Equipment listed in this Equipment Schedule is essential to the functions of Lessee or to the services Lessee provides its citizens; (g) Lessee has an immediate need for, and expects to make immediate use of, substantially all such Equipment, which will be used by Lessee only for the purpose of performing one or more of Lessee's governmental or proprietary functions consistent with the permissible scope of its authority; and (h) Lessee expects and anticipates adequate funds to be available for all future payments or rent due after the current budgetary period.

5. *The Lease.* The terms and provisions of the Agreement (other than to the extent that they relate solely to other Equipment Schedules or Equipment listed on other Equipment Schedules) are hereby incorporated into this Equipment Schedule by reference and made a part hereof.

6. *Acquisition Amount.* The Acquisition Amount that Lessor shall pay to the Escrow Agent for deposit into the Escrow Account in connection with this Equipment Schedule is \$ _____. It is expected that by [six (6)] [twelve (12)] [eighteen (18)] months from the date of this Equipment Schedule No. _____, Lessee will have taken possession of all items of Equipment shown above and that the Lessee's final Disbursement Request pursuant to the Escrow Agreement will be signed by Lessee, approved by Lessor and delivered to the Escrow Agent on or before [six (6)] [twelve (12)] [eighteen (18)] months from the date of this Equipment Schedule.

7. *Acquisition Period.* The Acquisition Period applicable to this Equipment Schedule shall end at the conclusion of the ____ month following the date hereof.

8. *Additional Representation Regarding the Use and Maintenance of the Equipment; Additional Representation Regarding Damage, Destruction and Condemnation.*

(a) Lessee agrees that it shall (a) proceed promptly, at its expense, to protect its rights and exercise its remedies under any warranty then in effect with respect to the Equipment under this Equipment Schedule; and (b) replace or rebuild any component of the Equipment under this Equipment Schedule that becomes permanently unfit for normal use or inoperable during the Lease Term of this Equipment Schedule (herein, the "*Inoperable Component*") in order to keep the Equipment as a whole in good repair and working order during the Lease Term of this Equipment Schedule. Lessee shall promptly notify Lessor in writing when any component of the Equipment under this Equipment Schedule is reasonably expected within forty-five (45) days to

become an Inoperable Component. Lessee shall promptly replace or rebuild the Inoperable Component under this Equipment Schedule with a similar component of comparable or improved make and model that has at least the equivalent value and utility of the applicable Inoperable Component, a remaining useful life of no less than the remaining Lease Term under this Equipment Schedule and such replacement or rebuilt component shall be in good operating condition.

(b) If Lessee elects to replace any item of the Equipment with Replacement Equipment pursuant to Section 8.01 of the Agreement, in addition to the other requirements set forth in Section 8.01, the Replacement Equipment shall also provide at least the same level of energy and/or operational savings expected in the aggregate from the Replaced Equipment prior to such casualty, destruction or condemnation.

9. *Liability Insurance.* Lessee shall, during the Lease Term under this Equipment Schedule, maintain or cause to be maintained liability insurance naming Lessor and its assigns as additional insured that protects Lessor from liability with limits of at least \$5,000,000 per occurrence for bodily injury and property damage coverage (such liability insurance coverage may be in a combination of primary general liability and/or excess liability umbrella coverage).

10. *Surety Bonds; Lessee to Pursue Remedies Against Contractors and Sub-Contractors and Their Sureties.* Lessee shall secure from each Vendor directly employed by Lessee in connection with the acquisition, construction, installation, improvement or equipping of the Equipment listed in this Equipment Schedule, a payment and performance bond ("Surety Bond") executed by a surety company authorized to do business in the State, having a financial strength rating by A.M. Best Company of "A-" or better, and otherwise satisfactory to Lessor and naming Lessor as a co-obligee in a sum equal to the entire amount to become payable under each Vendor Agreement. Each bond shall be conditioned on the completion of the work in accordance with the plans and specifications for the Equipment listed in this Equipment Schedule and upon payment of all claims of subcontractors and suppliers. Lessee shall cause the surety company to add Lessor as a co-obligee on each Surety Bond, and shall deliver a certified copy of each Surety Bond to Lessor promptly upon receipt thereof by Lessee. Any proceeds from a Surety Bond shall be applied in accordance with such Surety Bond to the payment and performance of the Vendor's obligations in accordance with the related Vendor Agreement and, if for whatever reason such proceeds are not so applied, first to amounts due Lessor under this Equipment Schedule, and any remaining amounts shall be payable to Lessee.

In the event of a material default of any Vendor under any Vendor Agreement in connection with the acquisition, construction, maintenance and/or servicing of the Equipment listed in this Equipment Schedule or in the event of a material breach of warranty with respect to any material workmanship or performance guaranty with respect to such Equipment, Lessee will promptly proceed to exhaust its remedies against the Vendor in default. Lessee shall advise Lessor of the steps it intends to take in connection with any such default. Any amounts received by Lessee in respect of damages, refunds, adjustments or otherwise in connection with the foregoing shall be paid to Lessor and applied against Lessee's obligations under this Equipment Schedule.

As a prerequisite to the performance by Lessor of any of its obligations under this Equipment Schedule, Lessee shall deliver to Lessor, in form and substance satisfactory to Lessor, a certified copy of each Surety Bond satisfying the conditions set forth in this Section ____, or, at Lessor's sole discretion, such Surety Bonds may be provided after the Commencement Date of this Equipment Schedule, provided however, that no "Disbursement Request" pursuant to the Escrow Agreement for this Equipment Schedule shall be authorized by Lessor until such Surety Bonds satisfying the conditions set forth in this Section _____ have been delivered to Lessor.

11. *Lease Term.* The Lease Term shall consist of the Original Term and ____ consecutive Renewal Terms, with the final Renewal Term ending on _____, subject to earlier termination pursuant to the Agreement.

Dated: _____

LESSOR:

Banc of America Public Capital Corp
11333 McCormick Road
Hunt Valley II
M/C MD5-032-07-05
Hunt Valley, MD 21031
Attention: Contract Administration
Fax No.: (443) 541-3057

LESSEE:

Attention: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

[SEAL]

Counterpart No. ____ of ____ manually executed and serially numbered counterparts. To the extent that the Lease created hereby constitutes chattel paper (as defined in the applicable Uniform Commercial Code), no security or ownership interest herein may be created through the transfer or possession of any Counterpart other than Counterpart No. 1.

EXHIBIT B

FORM OF PAYMENT SCHEDULE

RENTAL PAYMENT DATE	RENTAL PAYMENT AMOUNT	INTEREST PORTION	PRINCIPAL PORTION	OUTSTANDING BALANCE	PREPAYMENT PRICE [including prepayment premium; if applicable]	CASUALTY VALUE [including casualty premium; if applicable]
---------------------------	-----------------------------	---------------------	----------------------	------------------------	---	---

Contract Rate; Taxable Rate. The Contract Rate for this Equipment Schedule is _____% per annum. The Taxable Rate for this Equipment Schedule is _____% per annum.

Prepayment Option Commencement Date. For purposes of Section 10.01 of the Agreement, the Prepayment Option Commencement Date for this Equipment Schedule is _____.

LESSOR:
Banc of America Public Capital Corp

LESSEE:
[_____]

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT C-1A

FORM OF AUTHORIZING RESOLUTION (AGREEMENT)

A RESOLUTION OF THE GOVERNING BODY OF _____,
AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER
EQUIPMENT LEASE/PURCHASE AGREEMENT AND SEPARATE
EQUIPMENT SCHEDULES THERETO FOR THE ACQUISITION,
FINANCING AND LEASING OF CERTAIN EQUIPMENT FOR THE PUBLIC
BENEFIT WITHIN THE TERMS HEREIN PROVIDED; AUTHORIZING THE
EXECUTION AND DELIVERY OF OTHER DOCUMENTS REQUIRED IN
CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL
OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE
TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

WHEREAS, _____ (the "*Lessee*"), a [city] [county] [school district]
[special district] [body corporate and politic] duly organized and existing as a political
subdivision, municipal corporation or similar public entity of the State/Commonwealth of
_____, is authorized by the laws of the State/Commonwealth of _____ to acquire,
finance and lease personal property (tangible and intangible) for the benefit of the Lessee and its
inhabitants and to enter into contracts with respect thereto; and

WHEREAS, the governing body of the Lessee (the "*Board*") has determined that a need
exists for the acquisition, financing and leasing of certain equipment consisting of
_____, which constitutes personal property necessary for the Lessee to perform
essential governmental functions (collectively, the "*Equipment*") on the terms herein provided;
and

WHEREAS, in order to acquire such Equipment, the Lessee proposes to enter into that
certain Master Equipment Lease/Purchase Agreement (the "*Agreement*") with Banc of America
Public Capital Corp (or one of its affiliates), as lessor (the "*Lessor*"), substantially in the
proposed form presented to the Board at this meeting, and separate Equipment Schedules thereto
substantially in the form attached to the Agreement; and

WHEREAS, the Board deems it for the benefit of the Lessee and for the efficient and
effective administration thereof to enter into the Agreement and separate Equipment Schedules
thereunder and the other documentation relating thereto from time to time as provided in the
Agreement for the acquisition, financing and leasing of the Equipment to be therein described on
the terms and conditions therein and herein provided;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the governing body of the
Lessee as follows:

Section 1. Findings and Determinations. It is hereby found and determined that the terms of the Agreement (including the form of Equipment Schedule and the form of Payment Schedule, both attached thereto), in the form presented to the Board at this meeting, are in the best interests of the Lessee for the acquisition financing and leasing of the Equipment.

Section 2. Approval of Documents. The form, terms and provisions of the Agreement (including the form of Equipment Schedule and the form of Payment Schedule, both attached thereto) are hereby approved in substantially the forms presented at this meeting, with such insertions, omissions and changes as shall be approved by _____ [insert title of officials] of the Lessee or other members of the governing body of the Lessee (the "Authorized Officials") executing the same, the execution of such documents being conclusive evidence of such approval; and the _____ of the Lessee is hereby authorized and directed to execute, and the _____ of the Lessee is hereby authorized and directed to attest, the Agreement and any related Exhibits attached thereto and to deliver the Agreement (including such Exhibits) to the respective parties thereto, and the _____ of the Lessee is hereby authorized to affix the seal of the Lessee to such documents. The Authorized Officials are each hereby authorized and directed to sign and deliver on behalf of the Lessee the Agreement, each Equipment Schedule thereto under which a separate Lease (as defined in the Agreement) is created, each Payment Schedule attached thereto, any related Escrow Agreement and any related exhibits attached thereto if and when required; *provided, however,* that, without further authorization from the governing body of the Lessee, (a) the aggregate principal component of Rental Payments under all Leases entered into pursuant to the Agreement shall not exceed \$ _____; (b) the maximum term under any Lease entered into pursuant to the Agreement shall not exceed [_____] years; and (c) the maximum interest rate used to determine the interest component of Rental Payments under each Lease shall not exceed the lesser of the maximum rate permitted by law or [_____] percent (____%) per annum. The Authorized Officials may sign and deliver Leases to the Lessor on behalf of the Lessee pursuant to the Agreement on such terms and conditions as they shall determine are in the best interests of the Lessee up to the maximum aggregate principal component, maximum term and maximum interest rate provided above. The foregoing authorization shall remain in effect for a period of [two] years from the date hereof during which the Authorized Officials are authorized to sign and deliver Leases pursuant to the Agreement on the terms and conditions herein provided and to be provided in each such Lease.

Section 3. Other Actions Authorized. The officers and employees of the Lessee shall take all action necessary or reasonably required by the parties to the Agreement to carry out, give effect to and consummate the transactions contemplated thereby (including the execution and delivery of Final Acceptance Certificates, Escrow Agreements, Disbursement Requests and any tax certificate and agreement, as contemplated in the Agreement) and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Agreement and each Lease.

Section 4. No General Liability. Nothing contained in this Resolution, the Agreement, any Lease, any Escrow Agreement nor any other instrument shall be construed with respect to the Lessee as incurring a pecuniary liability or charge upon the general credit of the Lessee or against its taxing power, nor shall the breach of any agreement contained in this Resolution, the

Agreement, any Lease, any Escrow Agreement or any other instrument or document executed in connection therewith impose any pecuniary liability upon the Lessee or any charge upon its general credit or against its taxing power, except to the extent that the Rental Payments payable under each Lease entered into pursuant to the Agreement are limited obligations of the Lessee, subject to annual appropriation, as provided in the Agreement.

Section 5. Appointment of Authorized Lessee Representatives. The _____ and _____ of the Lessee are each hereby designated to act as authorized representatives of the Lessee for purposes of each Lease and related Escrow Agreement until such time as the governing body of the Lessee shall designate any other or different authorized representative for purposes of the Agreement and any Lease or Escrow Agreement.

Section 6. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 7. Repealer. All bylaws, orders and resolutions or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency with respect to this Resolution. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance or part thereof.

Section 8. Effective Date. This Resolution shall be effective immediately upon its approval and adoption.

ADOPTED AND APPROVED by the governing body of the Lessee this _____ day of _____.

[_____] ,
as lessee

[SEAL]

By: _____
Printed Name: _____
Title: _____

ATTEST:

By: _____
Printed Name: _____
Title: _____

The undersigned, a duly elected or appointed and acting _____
[Secretary] [City Clerk] [County Clerk] of the Lessee identified in the above Resolution No. ____
(the "*Resolution*"), hereby certifies that the Resolution is a full, true and correct copy of such
Resolution as adopted by the governing body of the Lessee on _____, 20___. The
Resolution is in full force and effect on the date hereof and has not been amended, modified or
otherwise changed by the governing body of the Lessee since the date of adoption of the
Resolution.

DATED this ____ day of _____, 20__.

Name: _____
Title: _____

EXHIBIT C-1B

FORM OF AUTHORIZING RESOLUTION (LEASE)

A RESOLUTION OF THE GOVERNING BODY OF _____,
AUTHORIZING THE EXECUTION AND DELIVERY OF AN EQUIPMENT
SCHEDULE TO THE MASTER EQUIPMENT LEASE/PURCHASE
AGREEMENT FOR THE ACQUISITION, FINANCING AND LEASING OF
CERTAIN EQUIPMENT FOR THE PUBLIC BENEFIT WITHIN THE TERMS
PROVIDED HEREIN; AUTHORIZING THE EXECUTION AND DELIVERY OF
OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND
AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO
THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY
THIS RESOLUTION.

WHEREAS, _____ (the "*Lessee*"), a [city] [county] [school district]
[special district] [body corporate and politic] duly organized and existing as a political
subdivision, municipal corporation or similar public entity of the State/Commonwealth of
_____, is authorized by the laws of the State/Commonwealth of _____ to acquire,
finance and lease personal property (tangible and intangible) for the benefit of the Lessee and its
inhabitants and to enter into contracts with respect thereto; and

WHEREAS, the governing body of the Lessee (the "*Board*") has determined that a need
exists for the acquisition, financing and leasing of certain equipment with a cost not to exceed
\$ _____ and consisting of _____, which constitutes personal property
necessary for the Lessee to perform essential governmental functions (collectively, the
"*Equipment*") on the terms herein provided; and

WHEREAS, in order to acquire such Equipment, the Lessee proposes to enter into that
certain Equipment Schedule (the "*Equipment Schedule*") with Banc of America Public Capital
Corp (or one of its affiliates), as lessor (the "*Lessor*"), substantially in the proposed form
presented to the Board at this meeting, which Equipment Schedule incorporates by reference the
terms and provisions of that certain Master Equipment Lease/Purchase Agreement dated as of
_____ by and between Lessor and Lessee (the "*Agreement*"); and

WHEREAS, the Board deems it for the benefit of the Lessee and for the efficient and
effective administration thereof to enter into the Equipment Schedule and the other
documentation relating to the acquisition, financing and leasing of the Equipment to be therein
described on the terms and conditions therein and herein provided;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the governing body of the
Lessee as follows:

Section 1. Findings and Determinations. It is hereby found and determined that the terms of the Equipment Schedule and the form of Payment Schedule, in the form presented to the Board at this meeting, are in the best interests of the Lessee for the acquisition financing and leasing of the Equipment.

Section 2. Approval of Documents. The form, terms and provisions of the Equipment Schedule and Payment Schedule are hereby approved in substantially the forms presented at this meeting, with such insertions, omissions and changes as shall be approved by _____ [insert title of officials]] of the Lessee or other members of the governing body of the Lessee (the "Authorized Officials") executing the same, the execution of such documents being conclusive evidence of such approval. The Authorized Officials are each hereby authorized and directed to sign and deliver on behalf of the Lessee the Equipment Schedule under which a separate Lease (as defined in the Agreement) is created, the Payment Schedule attached thereto, the Escrow Agreement and any related exhibits attached thereto.

Section 3. Other Actions Authorized. The officers and employees of the Lessee shall take all action necessary or reasonably required by the parties to the Lease to carry out, give effect to and consummate the transactions contemplated thereby (including the execution and delivery of a Final Acceptance Certificate, the Escrow Agreement, Disbursement Requests and any tax certificate and agreement, as contemplated in the Agreement) and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Lease.

Section 4. No General Liability. Nothing contained in this Resolution, the Lease, the Escrow Agreement nor any other instrument shall be construed with respect to the Lessee as incurring a pecuniary liability or charge upon the general credit of the Lessee or against its taxing power, nor shall the breach of any agreement contained in this Resolution, the Lease, the Escrow Agreement or any other instrument or document executed in connection therewith impose any pecuniary liability upon the Lessee or any charge upon its general credit or against its taxing power, except to the extent that the Rental Payments payable under the Lease entered into pursuant to the Agreement are limited obligations of the Lessee, subject to annual appropriation, as provided in the Agreement.

Section 5. Appointment of Authorized Lessee Representatives. The _____ and _____ of the Lessee are each hereby designated to act as authorized representatives of the Lessee for purposes of the Lease and the Escrow Agreement until such time as the governing body of the Lessee shall designate any other or different authorized representative for purposes of the Lease or the Escrow Agreement.

Section 6. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 7. Repealer. All bylaws, orders and resolutions or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency with respect to this

Resolution. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance or part thereof.

Section 8. Effective Date. This Resolution shall be effective immediately upon its approval and adoption.

ADOPTED AND APPROVED by the governing body of the Lessee this _____ day of _____.

[_____] ,
as lessee

[SEAL]

By: _____
Printed Name: _____
Title: _____

ATTEST:

By: _____
Printed Name: _____
Title: _____

The undersigned, a duly elected or appointed and acting _____
[Secretary] [City Clerk] [County Clerk] of the Lessee identified in the above Resolution No. ____
(the "*Resolution*"), hereby certifies that the Resolution is a full, true and correct copy of such
Resolution as adopted by the governing body of the Lessee on _____, 20___. The
Resolution is in full force and effect on the date hereof and has not been amended, modified or
otherwise changed by the governing body of the Lessee since the date of adoption of the
Resolution.

DATED this ____ day of _____, 20__.

Name: _____

Title: _____

EXHIBIT C-2A

FORM OF INCUMBENCY AND AUTHORIZATION CERTIFICATE (AGREEMENT)

The undersigned, a duly elected or appointed and acting _____
[Secretary] [City Clerk] [County Clerk] of _____ ("Lessee") certifies
as follows:

A. The following listed persons are duly elected or appointed and acting officials of
Lessee (the "Officials") in the capacity set forth opposite their respective names below and the
signatures below are true and correct as of the date hereof; and

B. THE OFFICIALS ARE DULY AUTHORIZED, ON BEHALF OF LESSEE, TO NEGOTIATE,
EXECUTE AND DELIVER THE MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT DATED AS OF
_____ (THE "AGREEMENT") AND SEPARATE EQUIPMENT SCHEDULES RELATING
THERETO FROM TIME TO TIME AS PROVIDED IN THE AGREEMENT (COLLECTIVELY, THE "EQUIPMENT
SCHEDULES"), EACH BY AND BETWEEN LESSEE AND BANC OF AMERICA PUBLIC CAPITAL CORP
("LESSOR"), [THE ESCROW AND ACCOUNT CONTROL AGREEMENT DATED AS OF _____ BY
AND AMONG LESSOR, LESSEE AND _____ AS ESCROW AGENT,] ALL DOCUMENTS RELATED
THERETO AND DELIVERED IN CONNECTION THEREWITH, AND ANY FUTURE MODIFICATION(S) OR
AMENDMENTS THEREOF (COLLECTIVELY, THE "OPERATIVE AGREEMENTS"), AND THE OPERATIVE
AGREEMENTS EACH ARE THE BINDING AND AUTHORIZED AGREEMENTS OF LESSEE, ENFORCEABLE
IN ALL RESPECTS IN ACCORDANCE WITH THEIR RESPECTIVE TERMS.

Name of Official	Title	Signature
_____	_____	_____
_____	_____	_____
_____	_____	_____

DATED: _____

BY: _____

NAME: _____

TITLE: _____

(THE SIGNER OF THIS CERTIFICATE CANNOT BE LISTED ABOVE AS AUTHORIZED TO EXECUTE THE
OPERATIVE AGREEMENTS.)

EXHIBIT C-2B

FORM OF INCUMBENCY AND AUTHORIZATION CERTIFICATE (LEASE)

The undersigned, a duly elected or appointed and acting _____
[Secretary] [City Clerk] [County Clerk] of _____ ("*Lessee*") certifies
as follows:

A. The following listed persons are duly elected or appointed and acting officials of Lessee (the "*Officials*") in the capacity set forth opposite their respective names below and the signatures below are true and correct as of the date hereof; and

B. THE OFFICIALS ARE DULY AUTHORIZED, ON BEHALF OF LESSEE, TO NEGOTIATE, EXECUTE AND DELIVER THE EQUIPMENT SCHEDULE NO. ____ DATED AS OF _____ (THE "*EQUIPMENT SCHEDULE*"), WHICH INCORPORATES BY REFERENCE THE TERMS AND PROVISIONS OF THE MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT DATED AS OF _____ (THE "*AGREEMENT*"), EACH BY AND BETWEEN LESSEE AND BANC OF AMERICA PUBLIC CAPITAL CORP ("LESSOR"), [THE ESCROW AND ACCOUNT CONTROL AGREEMENT DATED AS OF _____ BY AND AMONG LESSOR, LESSEE _____ AS ESCROW AGENT,] AND ALL DOCUMENTS RELATED THERETO AND DELIVERED IN CONNECTION THEREWITH, AND ANY FUTURE MODIFICATION(S) OR AMENDMENTS THEREOF (COLLECTIVELY, THE "*OPERATIVE AGREEMENTS*"), AND THE OPERATIVE AGREEMENTS EACH ARE THE BINDING AND AUTHORIZED AGREEMENTS OF LESSEE, ENFORCEABLE IN ALL RESPECTS IN ACCORDANCE WITH THEIR RESPECTIVE TERMS.

Name of Official	Title	Signature
_____	_____	_____
_____	_____	_____
_____	_____	_____

DATED: _____

BY: _____

NAME: _____

TITLE: _____

(THE SIGNER OF THIS CERTIFICATE CANNOT BE LISTED ABOVE AS AUTHORIZED TO EXECUTE THE
OPERATIVE AGREEMENTS.)

EXHIBIT D

FORM OF OPINION OF COUNSEL TO LESSEE
(to be typed on letterhead of counsel)

Banc of America Public Capital Corp
11333 McCormick Road
Hunt Valley II
M/C MD5-032-07-05
Hunt Valley, MD 21031
Attention: Contract Administration

Re: Equipment Schedule No. _____, dated _____, to Master
Equipment Lease/Purchase Agreement, dated as of _____, by
and between Banc of America Public Capital Corp, as Lessor, and
_____, as Lessee

Ladies and Gentlemen:

As legal counsel to _____ ("*Lessee*"), I have examined (a) an executed counterpart of that certain Master Equipment Lease/Purchase Agreement, dated as of _____ (the "*Agreement*") and Exhibits thereto, by and between Banc of America Public Capital Corp, as lessor ("*Lessor*"), and Lessee; (b) an executed counterpart of Equipment Schedule No. _____, dated _____, by and between Lessor and Lessee, which incorporates by reference the terms and provisions of the Agreement (such Equipment Schedule No. _____ together with such incorporated terms and provisions are herein referred to collectively as the "*Equipment Schedule*"), has attached the Payment Schedule with respect thereto (the "*Payment Schedule*") executed by Lessee, and provides for the lease of certain property listed in the Equipment Schedule (the "*Equipment*"); (c) an executed counterpart of that certain Escrow and Account Control Agreement dated as of _____ (the "*Escrow Agreement*"), by and among Lessor, Lessee and _____, as Escrow Agent; (d) an executed counterpart of the ordinances or resolutions of Lessee with respect to authorization of the transaction contemplated by the Agreement, the Equipment Schedule, the Escrow Agreement and documents related thereto; and (e) such other opinions, documents and matters of law as I have deemed necessary in connection with the following opinions. The Agreement, the Equipment Schedule, including the terms and provisions of the Agreement incorporated therein by reference, the related Payment Schedule, the Escrow Agreement and the documents relating thereto are herein collectively referred to as the "*Transaction Documents*".

Based on the foregoing, I am of the following opinions:

1. Lessee is a [city] [county] [school district] [special district] [body corporate and politic], duly organized and existing under the laws of the State, and is a political subdivision of the State within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended (the "*Code*") and the obligations of Lessee under the

Lease will constitute an obligation of Lessee within the meaning of Section 103(a) of the Code, notwithstanding Section 103(b) of the Code.

2. Lessee has the requisite power and authority to lease and acquire the Equipment and to execute and deliver the Transaction Documents and to perform its obligations under the Transaction Documents.

3. The Transaction Documents have been duly authorized, approved, executed and delivered by and on behalf of Lessee and the Transaction Documents are legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with their respective terms, except to the extent limited by State and Federal law affecting creditor's remedies and by bankruptcy, reorganization, moratorium or other laws of general application relating to or affecting the enforcement of creditors' rights.

4. The authorization, approval, execution and delivery of the Transaction Documents and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, procurement and public bidding laws and all other applicable State or Federal laws.

5. There is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would adversely affect the transactions contemplated by the Transaction Documents or the security interest of Lessor or its assigns, as the case may be, in the Equipment under the Lease, the Escrow Account or other Collateral thereunder.

[6. The portion of Rental Payments designated as interest is excluded from Lessor's gross income for Federal income tax purposes under Section 103 of the Code and is exempt from State of _____ personal income taxes; and such interest is not a specific item of tax preference for purposes of the Federal alternative minimum tax.¹]

[6. The portion of Rental Payments designated as interest or constituting or accruing as original issue discount is excluded from Lessor's gross income for Federal income tax purposes under Section 103 of the Code and is exempt from State of _____ personal income taxes; and such interest and original issue discount are not a specific item of tax preference for purposes of the Federal alternative minimum tax.²]

¹ Please use this provision if the opinion of counsel will include a tax opinion.

² Please use this provision if the opinion of counsel will include a tax opinion and there is OID.

All capitalized terms herein shall have the same meanings as in the Transaction Documents, unless otherwise provided herein. Lessor and its successors and assigns[, and any counsel rendering an opinion on the tax-exempt status of the Rental Payments,³] are entitled to rely on this opinion.

Printed Name: _____
Firm: _____
Address: _____
Telephone No.: _____

Signature: _____
Dated: _____

³ Please use this provision if bond counsel will be providing a separate tax opinion.

EXHIBIT E

FORM OF FINAL ACCEPTANCE CERTIFICATE

Banc of America Public Capital Corp
11333 McCormick Road
Hunt Valley II
M/C MD5-032-07-05
Hunt Valley, MD 21031
Attention: Contract Administration

Re: Equipment Schedule No. _____, dated _____, to Master
Equipment Lease/Purchase Agreement, dated as of _____, by
and between Banc of America Public Capital Corp, as Lessor, and
_____, as Lessee

Ladies and Gentlemen:

In accordance with the above-referenced Master Equipment Lease/Purchase Agreement (the "*Agreement*"), the undersigned Lessee hereby certifies and represents to, and agrees with, Lessor as follows:

1. All of the Equipment listed in the above-referenced Equipment Schedule (the "*Equipment Schedule*") has been delivered, installed and accepted on the date hereof.
2. Lessee has conducted such inspection and/or testing of the Equipment listed in the Equipment Schedule as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
3. Lessee is currently maintaining the insurance coverage required by Section 7.02 of the Agreement.
4. Lessee hereby reaffirms that the representations, warranties and covenants contained in the Agreement and incorporated into the Equipment Schedule by reference are true and correct as of the date hereof.
5. (a) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default exists at the date hereof under any Lease currently in effect; (b) no Material Adverse Change has occurred since the date of the execution and delivery of the Agreement; (c) no Event of Non-appropriation under any Lease currently in effect has occurred or been threatened; and (d) no Lease has been terminated as the result of the occurrence of an Event of Default or an Event of Non-appropriation.

Capitalized terms used, but not defined, in this Final Acceptance Certificate shall have the same meanings as when such terms are used in the Agreement.

Date: _____

LESSEE:

By: _____

Name: _____

Title: _____

EXHIBIT F

FORM OF SELF-INSURANCE CERTIFICATE

Banc of America Public Capital Corp
11333 McCormick Road
Hunt Valley II
M/C MD5-032-07-05
Hunt Valley, MD 21031
Attention: Contract Administration

Re: Equipment Schedule No. _____, dated _____, to Master
Equipment Lease/Purchase Agreement, dated as of _____,
by and between Banc of America Public Capital Corp, as Lessor, and
_____, as Lessee

In connection with the above-referenced Equipment Schedule (the "*Equipment Schedule*"), _____ (the "*Lessee*") hereby warrants and represents to Banc of America Public Capital Corp the following information. The terms capitalized herein but not defined herein shall have the meanings assigned to them in the above-referenced Master Equipment Lease/Purchase Agreement (the "*Agreement*") incorporated into the Equipment Schedule by reference.

1. The Lessee is self-insured for damage or destruction to the Equipment listed in the Equipment Schedule (herein, the "*Equipment*"). The dollar amount limit for property damage to the Equipment under such self-insurance program is \$ _____. [The Lessee maintains an umbrella insurance policy for claims in excess of Lessee's self-insurance limits for property damage to the Equipment which policy has a dollar limit for property damage to the Equipment under such policy of \$ _____.]

2. The Lessee is self-insured for liability for injury or death of any person or damage or loss of property arising out of or relating to the condition or operation of the Equipment. The dollar limit for such liability claims under the Lessee's self-insurance program is \$ _____. [The Lessee maintains an umbrella insurance policy for claims in excess of Lessee's self-insurance limits for liability which policy has a dollar limit for liabilities for injury and death to persons as well as damage or loss of property arising out of or relating to the condition or operation of the Equipment in the amount of \$ _____.]

[3]. The Lessee maintains a self-insurance fund. Monies in the self-insurance fund [are/are not] subject to annual appropriation. The total amount maintained in the self-insurance fund to cover Lessee's self-insurance liabilities is \$ _____. [Amounts paid from the Lessee's self-insurance fund are subject to a dollar per claim of \$ _____.]

[3]. The Lessee does not maintain a self-insurance fund. The Lessee obtains funds to pay claims for which it has self-insured from the following sources: _____. Amounts payable for claims from such sources are limited as follows: _____.

4. Attached hereto are copies of certificates of insurance with respect to policies maintained by Lessee.

LESSEE:

By: _____

Name: _____

Title: _____

EXHIBIT G

RESERVED

EXHIBIT H

FORM OF NOTICE AND ACKNOWLEDGEMENT OF ASSIGNMENT

Dated _____

BANC OF AMERICA PUBLIC CAPITAL CORP ("*Assignor*") hereby gives notice that, as of _____, 20__, it has assigned and sold to _____ ("*Assignee*") all of Assignor's right, title and interest in, to and under Equipment Schedule No. _____, dated _____ (including the Payment Schedule attached thereto, the "*Equipment Schedule*"), which incorporates by reference the terms and provisions of that certain Master Equipment Lease/Purchase Agreement dated as of _____ (the "*Agreement*"), each by and between Assignor and _____ ("*Lessee*"), together with all exhibits, schedules, riders, addenda and attachments related thereto, and all certifications and other documents delivered in connection therewith, the Rental Payments and other amounts due under the Lease (as such term is hereinafter defined), all of Assignor's right, title and interest in the Equipment listed in the Equipment Schedule and all of Assignor's right, title and interest in, to and under the Escrow and Account Control Agreement dated as of _____, 20__ (the "*Escrow Agreement*") by and among Lessee, Assignor and _____, as Escrow Agent, together with the Escrow Account related thereto (collectively, the "*Assigned Property*").

For purposes of this Notice and Acknowledgment of Assignment (the "*Acknowledgment*"), "*Lease*" means collectively the Equipment Schedule and the terms and provisions of the Agreement incorporated therein by reference, together with all exhibits, schedules, riders, addenda and attachments related thereto, and all certifications and other documents delivered in connection therewith. The term "*Lease*" specifically excludes all other Equipment Schedules entered into under the Agreement and Rental Payments other than with respect to the Equipment Schedule. Each capitalized term used but not defined herein has the meaning set forth in the Agreement.

1. Lessee hereby acknowledges the effect of the assignment of the Assigned Property and absolutely and unconditionally agrees to deliver to Assignee all Rental Payments and other amounts coming due under the Lease in accordance with the terms thereof on and after the date of this Acknowledgment.

2. Lessee hereby agrees that: (i) Assignee shall have all the rights of Lessor under the Lease and all related documents, including, but not limited to, the rights to issue or receive all notices and reports, to give all consents or agreements to modifications thereto, to receive title to the Equipment in accordance with the terms of the Lease, to declare a default and to exercise all rights and remedies thereunder in connection with the occurrence of an Event of Non-appropriation or an Event of Default; and (ii) [except as provided in Section 3.03 of the Agreement,] the obligations of Lessee to make Rental Payments and to perform and observe the

other covenants and agreements contained in the Lease shall be absolute and unconditional in all events without abatement, diminution, deduction, set-off or defense.

3. Lessee agrees that, as of the date of this Notice and Acknowledgment of Assignment (this "*Acknowledgement*"), the following information about the Lease is true, accurate and complete:

Number of Rental Payments Remaining	_____
Amount of Each Rental Payment	\$ _____
Total Amount of Rental Payments	\$ _____
Remaining	
Frequency of Rental Payments	_____
Next Rental Payment Due	_____
Funds Remaining in Escrow Account	\$ _____

4. The Lease remains in full force and effect, has not been amended, no Event of Default (or event which with the passage of time or the giving of notice or both would constitute a default) has occurred thereunder and no Event of Non-appropriation has occurred or is threatened with respect thereto.

5. Assignor hereby acknowledges the transfer restrictions imposed by Section 11.01 of the Agreement and confirms that the assignment to Assignee has been made in accordance with the provisions of that Section.

6. Any inquiries of Lessee related to the Lease and any requests for disbursements from the Escrow Account, if applicable, and all Rental Payments and other amounts coming due pursuant to the Lease on and after the date of this Acknowledgment should be remitted to Assignee at the following address (or such other address as provided to Lessee in writing from time to time by Assignee):

ACKNOWLEDGED AND AGREED:

LESSEE: _____

[FOR EXHIBIT PURPOSES ONLY]

By: _____

Name: _____

Title: _____

ASSIGNOR: BANC OF AMERICA PUBLIC CAPITAL CORP

[FOR EXHIBIT PURPOSES ONLY]

By: _____

Name: _____

Title: _____

EXHIBIT I

ESCROW AND ACCOUNT CONTROL AGREEMENT

LIST OF SCHEDULE DOCUMENTS CONTAINED IN THIS FILE

Equipment Schedule

Payment Schedule

Incumbency and Authorization Certificate (Agreement)

Form of Opinion of Counsel to Lessee

Final Acceptance Certificate

EQUIPMENT SCHEDULE NO. 1

Re: Master Equipment Lease/Purchase Agreement, dated as of November 3, 2022, between Banc of America Public Capital Corp, a Kansas corporation, as Lessor, and Orange County Fire Authority, as Lessee

1. *Defined Terms.* All terms used herein have the meanings ascribed to them in the above-referenced Master Equipment Lease/Purchase Agreement (the "*Agreement*") and the Addendum Relating to Aircraft, dated November 3, 2022, between Lessor and Lessee with respect to this Schedule of Property No. 1 (the "*Aircraft Addendum*").

2. *Equipment.* For purposes of the Lease created hereby, the following items of Equipment are hereby included under this Equipment Schedule together with all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto as provided in the Agreement.

QUANTITY	DESCRIPTION	SERIAL NO.	MODEL NO.	LOCATION
----------	-------------	------------	-----------	----------

Two (2) Sikorsky S-70M Type 1 FIREHAWK Helicopters and related equipment as more fully described in Annex A to the Aircraft Addendum and related training.

The parties contemplate that the list of Equipment set forth in this Schedule may be changed or modified during the Acquisition Period. Lessee agrees that, should it propose to substitute an item of Equipment listed on this Schedule with a different item of Equipment, such different item shall be of the same type and estimated useful life as the item to be substituted. The parties shall be deemed to have amended this Schedule for items not on this Schedule upon submission of a Disbursement Request by Lessee for an item of property and approval of such Disbursement Request by Lessor and payment for such property with Lease Proceeds, at which time such item will be deemed Equipment and this Schedule shall be deemed amended to include such item of Equipment. If an item of Equipment listed in this Schedule has not been submitted for payment from Lease Proceeds by Lessee by the time that all of the Lease Proceeds have been expended, then such item of Equipment shall be deemed removed from the list on this Schedule and this Schedule shall be deemed to be so amended.

Hangar Location: Fullerton Municipal Airport, 4011 West Commonwealth Avenue, Fullerton, CA 92833

3. *Payment Schedule.*

(a) *Rental Payments; Commencement Date.* The Rental Payments shall be in such amounts and payable on such Rental Payment Dates as set forth in the Payment Schedule attached to this Equipment Schedule and incorporated herein by this reference, subject to adjustment upon the occurrence of an Event of Taxability as provided in Section 4.06 of the

Agreement. Lessee's obligation to pay Rental Payments under the Lease created hereby shall commence on the earlier of (i) the date on which the Equipment listed in this Equipment Schedule is accepted by Lessee in the manner described in Section 5.01 of the Agreement, as evidenced by the Final Acceptance Certificate executed by Lessee and substantially in the form of *Exhibit E* attached to the Agreement, or (ii) the date on which the Acquisition Amount is deposited in an Escrow Account and/or paid directly to payees for cost of issuance and to United RotorCraft, a Division of Air Methods Corporation ("Vendor") for the purpose of acquiring and installing the Equipment listed in this Equipment Schedule and for cost of training for use of the Equipment pursuant to Section 3.04(c) of the Agreement (the earlier of such two dates being herein referred to as the "*Commencement Date*").

(b) *Prepayment Price Schedule.* The Prepayment Price on each Rental Payment Date shall be the amount set forth for such Rental Payment Date in the "Prepayment Price" column of the Payment Schedule attached to this Equipment Schedule *plus* all Rental Payments then due (including the Rental Payment due on such Rental Payment Date) *plus* all other amounts then owing under this Equipment Schedule.

4. *Representations, Warranties and Covenants.* Lessee hereby represents, warrants and covenants that its representations, warranties and covenants set forth in the Agreement (particularly Section 2.01 thereof) are true and correct as though made on the Commencement Date. Lessee further represents and warrants that (a) no Material Adverse Change has occurred since the dated date of the Agreement; (b) no Event of Default has occurred and is continuing under any Lease currently in effect; (c) no Event of Non-appropriation under any Lease currently in effect has occurred or is threatened; (d) no Lease has been terminated as the result of the occurrence of an Event of Default or an Event of Non-appropriation; (e) the governing body of Lessee has authorized the execution and delivery of the Agreement and this Equipment Schedule; (f) the Equipment listed in this Equipment Schedule is essential to the functions of Lessee or to the services Lessee provides its citizens; (g) Lessee has an immediate need for, and expects to make immediate use of, substantially all such Equipment, which will be used by Lessee only for the purpose of performing one or more of Lessee's governmental or proprietary functions consistent with the permissible scope of its authority; and (h) Lessee expects and anticipates adequate funds to be available for all future payments or rent due after the current budgetary period.

5. *The Lease.* The terms and provisions of the Agreement (other than to the extent that they relate solely to other Equipment Schedules or Equipment listed on other Equipment Schedules) are hereby incorporated into this Equipment Schedule by reference and made a part hereof.

6. *Acquisition Amount.* The Acquisition Amount is \$57,882,120.04. The portion of the Acquisition Amount that Lessor shall pay to the Escrow Agent for deposit into the Escrow Account in connection with this Equipment Schedule is \$12,299,456.06, the portion to be paid directly to payees for cost of issuance is \$47,000.00 and the portion of the Acquisition Amount that Lessor shall pay to the Vendor in connection with progress payments for the Equipment in connection with this Equipment Schedule, as well as the performance bond costs, is \$45,535,663.98 (80% of helicopter price, plus 100% of performance bond cost, and taxes related

to the foregoing); provided that if the condition precedent to the payment to payees for cost of issuance or to the payment of Vendor have not been completed at the time of funding into the Escrow Account, then cost of issuance amounts and the Vendor payment amount shall also be deposited into the Escrow Account. It is expected that by **eighteen (18)** months from the date of this Equipment Schedule No. 1, Lessee will have taken possession of all items of Equipment shown above and that the Lessee's final Disbursement Request pursuant to the Escrow Agreement will be signed by Lessee, approved by Lessor and delivered to the Escrow Agent on or before eighteen (18) months from the date of this Equipment Schedule.

7. *Acquisition Period.* The Acquisition Period applicable to this Equipment Schedule shall end at the conclusion of the 18th month following the date hereof.

8. *Surety Bonds; Lessee to Pursue Remedies Against Contractors and Sub-Contractors and Their Sureties.* Lessee shall secure from each Vendor directly employed by Lessee in connection with the acquisition, construction, installation, improvement or equipping of the Equipment listed in this Equipment Schedule, a payment and performance bond ("Surety Bond") executed by a surety company authorized to do business in the State, having a financial strength rating by A.M. Best Company of "A-" or better, and otherwise satisfactory to Lessor and naming Lessor as a co-obligee in a sum equal to the entire amount to become payable under each Vendor Agreement. Each bond shall be conditioned on the completion of the work in accordance with the plans and specifications for the Equipment listed in this Equipment Schedule and upon payment of all claims of subcontractors and suppliers. Lessee shall cause the surety company to add Lessor as a co-obligee on each Surety Bond, and shall deliver a certified copy of each Surety Bond to Lessor promptly upon receipt thereof by Lessee. Any proceeds from a Surety Bond shall be applied in accordance with such Surety Bond to the payment and performance of the Vendor's obligations in accordance with the related Vendor Agreement and, if for whatever reason such proceeds are not so applied, first to amounts due Lessor under this Equipment Schedule, and any remaining amounts shall be payable to Lessee.

In the event of a material default of any Vendor under any Vendor Agreement in connection with the acquisition, construction, maintenance and/or servicing of the Equipment listed in this Equipment Schedule or in the event of a material breach of warranty with respect to any material workmanship or performance guaranty with respect to such Equipment, Lessee will promptly proceed to exhaust its remedies against the Vendor in default. Lessee shall advise Lessor of the steps it intends to take in connection with any such default. Any amounts received by Lessee in respect of damages, refunds, adjustments or otherwise in connection with the foregoing shall be paid to Lessor and applied against Lessee's obligations under this Equipment Schedule.

As a prerequisite to the performance by Lessor of any of its obligations under this Equipment Schedule, Lessee shall deliver to Lessor, in form and substance satisfactory to Lessor, a certified copy of each Surety Bond satisfying the conditions set forth in this Section 8, or, at Lessor's sole discretion, such Surety Bonds may be provided after the Commencement Date of this Equipment Schedule, provided however, that no "Disbursement Request" pursuant to the Escrow Agreement for this Equipment Schedule shall be authorized by Lessor until such Surety Bonds satisfying the conditions set forth in this Section 8 have been delivered to Lessor.

Dated: November 3, 2022

LESSOR:

Banc of America Public Capital Corp
11333 McCormick Road
Hunt Valley II
M/C MD5-032-07-05
Hunt Valley, MD 21031
Attention: Contract Administration
Fax No.: (443) 541-3057

LESSEE:

Orange County Fire Authority
One Fire Authority Road
Irvine, CA 92602
Attention: Tricia Jakubiak, Treasurer

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

[SEAL]

Counterpart No. ____ of ____ manually executed and serially numbered counterparts.
To the extent that the Lease created hereby constitutes chattel paper (as defined in the applicable
Uniform Commercial Code), no security or ownership interest herein may be created through the
transfer or possession of any Counterpart other than Counterpart No. 1.

PAYMENT SCHEDULE

RENTAL PAYMENT DATE	RENTAL PAYMENT AMOUNT	INTEREST PORTION (3.1379%)	PRINCIPAL PORTION	OUTSTANDING BALANCE	PREPAYMENT PRICE	CASUALTY VALUE
11/312022	\$0.00	\$0.00	\$0.00	\$57,882,120.04	N/A	\$58,460,941.24
1/1012024	\$4,924,805.98	\$2,154,313.50	\$2,770,492.48	\$55,111,627.56	N/A	\$55,662,743.84
111012025	\$4,924,805.97	\$1,729,347.76	\$3,195,458.21	\$51,916,169.35	N/A	\$52,435,331.04
1/1012026	\$4,924,805.98	\$1,629,077.48	\$3,295,728.50	\$48,620,440.85	N/A	\$49,106,645.26
1/1012027	\$4,924,805.97	\$1,525,660.81	\$3,399,145.16	\$45,221,295.69	N/A	\$45,673,508.65
1/1012028	\$4,924,805.98	\$1,418,999.04	\$3,505,806.94	\$41,715,488.75	N/A	\$42,132,643.64
1/1012029	\$4,924,805.97	\$1,308,990.32	\$3,615,815.65	\$38,099,673.10	N/A	\$38,480,669.83
1/1012030	\$4,924,805.97	\$1,195,529.64	\$3,729,276.33	\$34,370,396.77	\$34,370,396.77	\$34,370,396.77
1/1012031	\$4,924,805.97	\$1,078,508.68	\$3,846,297.29	\$30,524,099.48	\$30,524,099.48	\$30,524,099.48
1/1012032	\$4,924,805.98	\$957,815.72	\$3,966,990.26	\$26,557,109.22	\$26,557,109.22	\$26,557,109.22
1/1012033	\$4,924,805.97	\$833,335.53	\$4,091,470.44	\$22,465,638.78	\$22,465,638.78	\$22,465,638.78
1/1012034	\$4,924,805.98	\$704,949.28	\$4,219,856.70	\$18,245,782.08	\$18,245,782.08	\$18,245,782.08
111012035	\$4,924,805.98	\$572,534.40	\$4,352,271.58	\$13,893,510.50	\$13,893,510.50	\$13,893,510.50
1/1012036	\$4,924,805.98	\$435,964.47	\$4,488,841.51	\$9,404,668.99	\$9,404,668.99	\$9,404,668.99
1/1012037	\$4,924,805.98	\$295,109.11	\$4,629,696.87	\$4,774,972.12	\$4,774,972.12	\$4,774,972.12
1/1012038	\$4,924,805.97	\$149,833.85	\$4,774,972.12	\$0.00	\$0.00	\$0.00
Total	\$73,872,089.63	\$15,989,969.59	\$57,882,120.04			

Contract Rate; Taxable Rate. The Contract Rate for this Equipment Schedule is 3.1379% per annum. The Taxable Rate for this Equipment Schedule is 4.0050% per annum.

Prepayment Option Commencement Date. For purposes of Section 10.01 of the Agreement, the Prepayment Option Commencement Date for this Equipment Schedule is January 10, 2030.

Prepayment Price. For purposes of Section 10.01(a)(i) of the Agreement, the Prepayment Price is at par.

LESSOR:
Banc of America Public Capital Corp

LESSEE:
Orange County Fire Authority

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

INCUMBENCY AND AUTHORIZATION CERTIFICATE (AGREEMENT)

The undersigned, a duly elected or appointed and acting Clerk of Orange County Fire Authority ("*Lessee*") certifies as follows:

A. The following listed persons are duly elected or appointed and acting officials of Lessee (the "*Officials*") in the capacity set forth opposite their respective names below and the signatures below are true and correct as of the date hereof; and

B. THE OFFICIALS ARE DULY AUTHORIZED, ON BEHALF OF LESSEE, TO NEGOTIATE, EXECUTE AND DELIVER THE MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT DATED AS OF NOVEMBER 3, 2022 (THE "*AGREEMENT*") AND A SEPARATE EQUIPMENT SCHEDULE No. 1 AND ADDENDUM THERETO RELATING TO AIRCRAFT, RELATING THERETO FROM TIME TO TIME AS PROVIDED IN THE AGREEMENT (COLLECTIVELY, THE "*EQUIPMENT SCHEDULES*"), DATED NOVEMBER 3, 2022, EACH BY AND BETWEEN LESSEE AND BANCO AMERICA PUBLIC CAPITAL CORP ("LESSOR"), THE ESCROW AND ACCOUNT CONTROL AGREEMENT DATED AS OF NOVEMBER 3, 2022 BY AND AMONG LESSOR, LESSEE AND WILMINGTON TRUST, NATIONAL ASSOCIATION, AS ESCROW AGENT, ALL DOCUMENTS RELATED THERETO AND DELIVERED IN CONNECTION THEREWITH, AND ANY PUTATIVE MODIFICATION(S) OR AMENDMENTS THEREOF (COLLECTIVELY, THE "*OPERATIVE AGREEMENTS*"), AND THE OPERATIVE AGREEMENTS EACH ARE THE BINDING AND AUTHORIZED AGREEMENTS OF LESSEE, ENFORCEABLE IN ALL RESPECTS IN ACCORDANCE WITH THEIR RESPECTIVE TERMS.

Name of Official	Title	Signature
Tricia Jakubiak	Treasurer	_____
Robert Cortez	Assistant Chief of Business Services	_____
_____	_____	_____

DATED: NOVEMBER 3, 2022

BY: _____

NAME: MARIA HUIZAR
TITLE: CLERK

(THE SIGNER OF THIS CERTIFICATE CANNOT BE LISTED ABOVE AS AUTHORIZED TO EXECUTE THE OPERATIVE AGREEMENTS.)

FORM OF OPINION OF COUNSEL TO LESSEE
(to be typed on letterhead of counsel)

Banc of America Public Capital Corp
11333 McCormick Road
Hunt Valley II
M/C MD5-032-07-05
Hunt Valley, MD 21031
Attention: Contract Administration

Re: Equipment Schedule No. 1, dated November 3, 2022, to Master Equipment Lease/Purchase Agreement, dated as of November 3, 2022, by and between Banc of America Public Capital Corp, as Lessor, and Orange County Fire Authority, as Lessee

Ladies and Gentlemen:

As legal counsel to Orange County Fire Authority, ("*Lessee*"), I have examined (a) an executed counterpart of that certain Master Equipment Lease/Purchase Agreement, dated as of November 3, 2022 (the "*Agreement*") and Exhibits thereto, by and between Banc of America Public Capital Corp, as lessor ("*Lessor*"), and Lessee; (b) an executed counterpart of Equipment Schedule No. 1, along with Addendum Relating to Aircraft dated November 3, 2022 by and between Lessor and Lessee, which incorporates by reference the terms and provisions of the Agreement (such Equipment Schedule No.1 together with such incorporated terms and provisions are herein referred to collectively as the "*Equipment Schedule*"), has attached the Payment Schedule with respect thereto (the "*Payment Schedule*") executed by Lessee, and provides for the lease of certain property listed in the Equipment Schedule (the "*Equipment*"); (c) an executed counterpart of that certain Escrow and Account Control Agreement dated as of November 3, 2022 (the "*Escrow Agreement*"), by and among Lessor, Lessee and Wilmington Trust, National Association, as Escrow Agent; (d) an executed counterpart of the ordinances or resolutions of Lessee with respect to authorization of the transaction contemplated by the Agreement, the Equipment Schedule, the Escrow Agreement and documents related thereto; and (e) such other opinions, documents and matters of law as I have deemed necessary in connection with the following opinions. The Agreement, the Equipment Schedule, including the terms and provisions of the Agreement incorporated therein by reference, the related Payment Schedule, the Escrow Agreement and the documents relating thereto are herein collectively referred to as the "*Transaction Documents*".

Based on the foregoing, I am of the following opinions:

1. Lessee is a joint powers authority duly established and existing under the laws of the State and is a political subdivision of the State within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended (the "*Code*") and the

obligations of Lessee under the Lease will constitute an obligation of Lessee within the meaning of Section 103(a) of the Code, notwithstanding Section 103(b) of the Code.

2. Lessee has the requisite power and authority to lease and acquire the Equipment and to execute and deliver the Transaction Documents and to perform its obligations under the Transaction Documents.

3. The Transaction Documents have been duly authorized, approved, executed and delivered by and on behalf of Lessee and the Transaction Documents are legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with their respective terms, except to the extent limited by State and Federal law affecting creditor's remedies and by bankruptcy, reorganization, moratorium or other laws of general application relating to or affecting the enforcement of creditors' rights.

4. The authorization, approval, execution and delivery of the Transaction Documents and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, procurement and public bidding laws and all other applicable State or Federal laws.

5. There is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would adversely affect the transactions contemplated by the Transaction Documents or the security interest of Lessor or its assigns, as the case may be, in the Equipment under the Lease, the Escrow Account or other Collateral thereunder.

6. The portion of Rental Payments designated as interest is excluded from Lessor's gross income for Federal income tax purposes under Section 103 of the Code and is exempt from State of California personal income taxes; and such interest is not a specific item of tax preference for purposes of the Federal alternative minimum tax.

All capitalized terms herein shall have the same meanings as in the Transaction Documents, unless otherwise provided herein. Lessor and its successors and assigns, and any counsel rendering an opinion on the tax-exempt status of the Rental Payments, are entitled to rely on this opinion.

Printed Name: _____
Firm: _____
Address: _____
Telephone No.: _____

Signature: _____
Dated: November 3, 2022

FINAL ACCEPTANCE CERTIFICATE

Banc of America Public Capital Corp
11333 McCormick Road
Hunt Valley II
M/C MD5-032-07-05
Hunt Valley, MD 21031
Attention: Contract Administration

Re: Equipment Schedule No. 1, dated November 3, 2022, to Master Equipment Lease/Purchase Agreement, dated as of November 3, 2022 by and between Banc of America Public Capital Corp, as Lessor, and Orange County Fire Authority as Lessee

Ladies and Gentlemen:

In accordance with the above-referenced Master Equipment Lease/Purchase Agreement (the "*Agreement*"), the undersigned Lessee hereby certifies and represents to, and agrees with, Lessor as follows:

1. All of the Equipment listed in the above-referenced Equipment Schedule (the "*Equipment Schedule*") has been delivered, installed and accepted on the date hereof.
2. Lessee has conducted such inspection and/or testing of the Equipment listed in the Equipment Schedule as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
3. Lessee is currently maintaining the insurance coverage required by Section 7.02 of the Agreement and Section 4(f) of the Aircraft Addendum.
4. Lessee hereby reaffirms that the representations, warranties and covenants contained in the Agreement and incorporated into the Equipment Schedule by reference are true and correct as of the date hereof.
5. (a) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default exists at the date hereof under any Lease currently in effect; (b) no Material Adverse Change has occurred since the date of the execution and delivery of the Agreement; (c) no Event of Non-appropriation under any Lease currently in effect has occurred or been threatened; and (d) no Lease has been terminated as the result of the occurrence of an Event of Default or an Event of Non-appropriation.

Capitalized terms used, but not defined, in this Final Acceptance Certificate shall have the same meanings as when such terms are used in the Agreement.

Date: _____

LESSEE:

By: _____

Name: _____

Title: _____

ADDENDUM RELATING TO AIRCRAFT TO EQUIPMENT SCHEDULE TO MASTER LEASE AGREEMENT

THIS ADDENDUM RELATING TO AIRCRAFT (this "Addendum") is dated as of November 3, 2022, among **Banc of America Public Capital Corp** ("Lessor"), and **Orange County Fire Authority** ("Lessee") pursuant to and as a part of that certain and Equipment Schedule No. 1 thereto, between Lessor and Lessee, dated as of November 3, 2022 (the "Equipment Schedule") entered into pursuant to that certain Master Lease Agreement, between Lessor and Orange County Fire Authority, dated as of November 3, 2022 (the "Master Lease Agreement" and, together with the Equipment Schedule, and including all related attachments, supplements and amendments, the "Agreement"). For the consideration described in the Agreement, and subject to the terms and conditions of the Agreement, as supplemented and amended by this Addendum, Lessor and Lessee hereby agree as follows:

A. Generally. This Addendum shall constitute a part of the Agreement, and supplements and amends the Agreement, as and to the extent provided below, for the purpose of modifying the terms of the Agreement in a manner consistent with Lessor's lease financing or refinancing (as applicable) of Lessee's acquisition of the "Aircraft(s)" described herein. In the event any provisions of the Agreement are inconsistent with the provisions or purposes of this Addendum, the provisions of this Addendum shall prevail. All other terms and conditions of the Agreement not specifically amended by this Addendum shall remain unchanged and in full force and effect and are hereby ratified and confirmed by Lessee. Certain of the terms used in this Addendum are defined in Section 8 herein, and any capitalized terms not defined in this Addendum are as defined in the Agreement.

B. Supplemental or Amending Provisions. The Agreement is hereby supplemented and amended, as follows:

1. Description of "Equipment" (Financing of Aircraft). All references to "Equipment" in the Agreement shall mean the Aircraft (including, the Airframe, and whether or not then attached, the Engine, Rotor Blade and Rotor Components, and Parts) financed under, and described in the Equipment Schedule and in Annex A to this Addendum, or unless otherwise provided in this Addendum. The Airframe is of a type certified by the FAA to transport at least five (5) persons including crew; or goods in excess of 450 kilograms. The Engine does have at least 550 rated takeoff shaft horsepower or the equivalent of such horsepower for helicopters.

2. Supplemental Conditions Precedent. In addition to the conditions provided in the Agreement, Lessor's willingness to fund the Aircraft shall be subject to the following supplemental conditions, all of which must be to Lessor's, and, as applicable, Aviation's Counsel's, satisfaction:

(a) Conditions to Funding Escrow Account. For purposes of funding the cost of the Aircraft, there shall be created the 2022 OCFA Sikorsky Firehawk Escrow Account (the "Escrow Account") with Wilmington Trust, National Association, as escrow agent ("Escrow Agent"). On or prior to funding the Commencement Date, Lessor shall have received all of the following in form and substance satisfactory to Lessor with respect to the Aircraft: (i) evidence of Lessee's reservation of an "N" number, (ii) chattel paper or other counterpart originals of the Equipment Schedule, (iii) Lessor shall have received a copy of the fully executed Purchase Agreement with United Rotorcraft, a Division of Air Methods Corporation ("United Rotorcraft"), (iv) the executed original of this Addendum and the executed Security Agreement,

attached hereto as Annex C; and such other documents, filings, certificates, opinions, assurances and evidence of such other matters, as Lessor may reasonably request.

(b) Conditions for Release of Escrow Account Funds to United Rotorcraft for eighty percent (80%) deposit. On or prior to the date lease proceeds in the amount of \$45,535,663.98 are released from the Escrow Account held by the Escrow Agent pursuant to a Disbursement Request pursuant to the Escrow Agreement for the eighty percent (80%) deposit to United Rotorcraft, as well as the cost of the performance bonds, and taxes related to the foregoing, Lessor, and/or (if so delivered by Lessor) Aviation Counsel, shall have received all of the following in form and substance satisfactory to Lessor and/or Aviation Counsel with respect to the Aircraft:

- (i) All conditions outlined in Section 2(a) above; and
- (ii) A performance bond in the amount of \$55,871,980.32 reflecting Lessor as co-obligee as follows:

Banc of America Public Capital Corp, its Successors and Assigns
Attention: Lease Administration
11333 McCormick Road
Hunt Valley, MD 21031

If the conditions for release under this subsection (b) are met on or prior to the Commencement Date, then in lieu of deposit of the funds for such payment under this subsection (b) in the Escrow Account, such payment may be made at the written direction of Lessee by Lessor directly to United Rotorcraft.

(c) Conditions for Release of Escrow Account Funds to United Rotorcraft for five percent (5%) deposit. On or prior to the date lease proceeds in the amount of \$2,793,599.02 are released from the Escrow Account held by the Escrow Agent pursuant to a Disbursement Request pursuant to the Escrow Agreement for the five percent (5%) payment to United Rotorcraft due upon installation of landing gear, and taxes related to the foregoing, Lessor, and/or (if so delivered by Lessor) Aviation Counsel, shall have received all conditions outlined in Sections 2(a) and 2(b) above.

(d) Conditions for Release of Escrow Account Funds to each of Sikorsky and FlightSafety International ("Training Provider(s)") upon completion of training. On or prior to the date lease proceeds in the amount of \$568,460.00 to Sikorsky and \$402,000.00 to FlightSafety International are released to each Training Provider, and employee flight expenses related to training in the amount of \$154,600.00, from the Escrow Account held by the Escrow Agent pursuant to a Disbursement Request pursuant to the Escrow Agreement for the completion of training services by each Training Provider, Lessor, and/or (if so delivered by Lessor) Aviation Counsel, shall have received all conditions outlined in Section 2(a) above, as well as an invoice for such payment from said payee.

(e) Conditions for Release of Escrow Account Funds for Cost of Issuance for the Agreement. On or prior to the date lease proceeds are to be disbursed for cost of issuance for the Agreement to the service providers for said cost of issuance from the Escrow Account held by the Escrow Agent pursuant to a Disbursement Request pursuant to the Escrow Agreement Lessor shall have received all conditions outlined in Sections 2(a), above, as well as an invoice for such payment from said payee. If the conditions for release under this subsection (e) are met on or prior to the Commencement Date, then in lieu of deposit of the funds for such payment under this subsection (e) in the Escrow Account, such payment may be made at the written direction of Lessee by Lessor directly to such payee for cost of issuance

(f) Conditions for Release of Escrow Account Funds to United Rotorcraft with Acceptance of Aircraft. On or prior to the date lease proceeds in the amount of \$8,380,797.05 are released from the Escrow Account held by the Escrow Agent pursuant to a Disbursement Request pursuant to the Escrow Agreement for payment for fifteen percent (15%) final payment to United Rotorcraft upon delivery of the Aircraft to Lessee, and taxes related to the foregoing, Lessor, and/or (if so delivered by Lessor) Aviation

Counsel, shall have received all of the following in form and substance satisfactory to Lessor and/or Aviation Counsel with respect to the Aircraft:

- (i) all conditions and items outlined in Sections 2(a), 2(b) and 2(c) above;
 - (ii) copies of applicable maintenance contracts;
 - (iii) evidence that it has been duly certified as to type and airworthiness by the FAA;
 - (iv) a Certificate of Acceptance executed by Lessee confirming, among other things, delivery to and acceptance by Lessee of the Equipment;
 - (v) evidence of the Required Coverages (as defined in Section 4(f) hereof);
 - (vi) a Certificate of Aircraft Registration (AC Form 8050-3), or, if the Certificate of Aircraft Registration has not been issued, an Aircraft Registration Application (AC Form 8050-1);
 - (vii) an Aircraft Bill of Sale (AC Form 8050-2);
 - (viii) a Standard Airworthiness Certificate (AC Form 8100-2);
 - (ix) Assignment of Special Registration Number, FAA Form AC8050-64, if applicable;
- and
- (x) the executed Security Agreement, updated and completed for filing, attached hereto as Annex C.

Additionally, on the date lease proceeds are released from the Escrow Account for purchase of the Aircraft (all as confirmed to Lessor by Aviation Counsel):

- (i) the Aircraft, the Engine, the Rotor Blade, and Rotor Components and the other property, rights and Collateral that are subject to the Lessor's interest, shall be free and clear of all other Liens, including any Liens recorded or registered with the FAA and the International Registry;
- (ii) the Bill of Sale shall be in the name of the Lessee; and
- (iii) upon making all of the filings and registrations required, Lessor shall have a security interest consistent with the terms of the Master Lease Agreement in, and with respect to, the Lessee's rights and interests in and to the Airframe, the Engine, the Rotor Blade and Rotor Components and the associated rights, and other related property.

Finally, concurrently with Lessor's funding the Aircraft (all as confirmed to Lessor by Aviation Counsel):

- (i) any and all documents, instruments and funds then held in escrow shall be released from escrow, and
- (ii) all of the filings and registrations referenced above have been made (and the related filing and registration information is reported to the Lessor telephonically or electronically);
- (iii) regarding the International Registry, evidence that each of Lessee and all pertinent Persons (a) are transacting user entities (and identifying the name of their respective administrators), (b) have designated Aviation Counsel as their

professional user entity, and (c) have taken all other actions which may then be necessary (including, by providing all necessary authority to its administrator) so that all of the Registerable Interests, including any discharges and subordinations, required by this Addendum or the Security Agreement can be registered with the International Registry in favor of Lessor; and

- (iv) such other documents, filings, certificates, opinions, assurances and evidence of such other matters, as Lessor, Lessor's counsel or Aviation Counsel, may reasonably request.

3. Supplemental Representations, Warranties and Covenants. In addition to its representations, warranties and covenants in the Agreement, Lessee, on the date of the release of funds in accordance with Section B.2.(d), further represents, warrants and covenants as follows:

(a) The Aircraft. The Aircraft is currently certified under existing FAA rules and regulations, has been delivered to Lessee, is in its possession, completely inspected by Lessee to its satisfaction, and unconditionally, irrevocably and fully accepted by Lessee; and without limiting the foregoing, (i) the information contained in the Equipment Schedule (including the registration number of the Aircraft, the serial numbers of the Airframe and the Engine the Rotor Blade and Rotor Components and manufacturer and model numbers of the Airframe, Engine and Rotor Blade and Rotor Components) is true and accurate in all respects, and (ii) the Aircraft is airworthy in all respects and otherwise in good working order, repair and condition and fully equipped to operate for its purpose, and in conformity with Applicable Standards.

(b) Cape Town Convention Representations, Warranties and Covenants.

(i) Without limiting any of the other representations and warranties in the Agreement or this Addendum, for the purposes of the Cape Town Convention and any other Applicable Law, (A) upon the conclusion of the sale of the Aircraft to Lessee, and Lessee's grants and assignments contemplated in the Agreement or this Addendum, Lessee shall be situated in, and Lessee will cause the Aircraft to be duly registered in, the United States of America (which is a contracting state), (B) with respect to any of the Transaction Documents relating to the purchase of the Airframe or Engine from Vendor, each of the respective parties thereto has power to dispose of the Airframe and Engine, as contemplated therein by way of the relevant transaction document, and (C) the purchase documents with the Vendor qualify as a "contract of sale", and the Loan Documents are effective to constitute international interests in the Airframe and Engine and security assignments of the related associated rights and transfer of the related international interests, as contemplated therein, and each such Registerable Interest will be effective against third parties upon registration at the International Registry, without any further filings or registrations (except as contemplated in this Addendum and the Agreement).

(ii) By way of clarification and not limitation, the grant of the security interest in the Aircraft as provided in the Agreement and the Security Agreement shall include, as applicable (and in each case, being validly registered and having first priority), (A) an international interest in the Airframe, at all times and without regard as to whether the Engine is installed as an accessory of the Airframe, (B) an international interest in the Engine, at all times (1) prior to its installation on the Airframe, and (2) after removal from and before re-installation on the Airframe, and (C) a prospective international interest in the Engine at all times while installed on the Airframe (which prospective interest, immediately upon the removal of the

Engine, shall become an international interest, and be treated as registered as from the time of its registration as a prospective international interest).

(iii) Lessee hereby irrevocably consents to, and authorizes its professional user entity to consent to, the registration of each Registerable Interest requested by Lessor or its Assignee, or otherwise required by the provisions of this Agreement or any of the other Loan Documents, including any subordination, amendment, assignment, discharge or undertaking permitted by the Cape Town Convention with respect thereto.

(iv) Upon the request of Lessor, Lessee also agrees to make, or cause to be made, all registrations (including all assignments and subordinations) and all amendments, extensions and discharges with the International Registry reasonably requested by Lessor (and give or obtain any necessary consent thereto, as well as renew any authorization required by the International Registry in connection therewith, including renewing its transacting user entity status and re-designating a professional user entity, if necessary in Lessor's judgment), in connection with any assignment of the Agreement.

(v) Notwithstanding anything in the foregoing to the contrary, Lessor and Lessee may bring a judicial proceeding in the Republic of Ireland, solely with respect to matters relating to the International Registry.

4. Obligations. Without limiting its other obligations under the Agreement, Lessee hereby agrees to the following:

(a) Notices. Lessee will promptly give written notice to Lessor of (i) any accident or similar event involving the Aircraft with respect to which there may be a risk of civil or criminal liability, or resulting in any material damage, (ii) the commencement or threat of any material litigation or proceedings affecting the Aircraft, (iii) any dispute between Lessor, Lessee or any other person or entity and any governmental regulatory body or other party that involves the Aircraft, and (iv) each scheduled and unscheduled maintenance, service, overhaul, repair or other event pursuant to which the Engine is to be removed from the Aircraft, at least 30 days' prior to any such scheduled removal, and as soon as practicable prior to any such unscheduled removal.

(b) Compliance With Law. Lessee will (i) duly observe and conform to all requirements of Applicable Law relating to the conduct of its business and/or the Aircraft, (ii) remain a "citizen of the United States" within the meaning of the Transportation Code, (iii) obtain and keep in full force and effect (A) all rights, franchises, licenses and permits that are necessary to the proper conduct of its business, and (B) all governmental, administrative or agency approvals required with respect to the performance of its obligations under the Agreement and the operation of the Aircraft (including for emergency medical services and any other purposes for which it may be operated), and its business generally, (iv) cause the Aircraft to remain duly registered, in its name, under the Transportation Code (including, by making all necessary reports, re-registering its ownership of the Aircraft, and taking all other actions required by Applicable Law).

(c) Hangaring and Operating Location. Lessee will neither permit the Aircraft to be operated outside the continental United States nor change its principal base from that specified on the Equipment Schedule without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Lessee further agrees not to operate the Aircraft in any area, at any time or in any manner (i) excluded from or otherwise not covered by any of the Required

Coverage, or with respect to which claims might be prohibited, or in which such operation creates any unreasonable risks to the Aircraft or any person or entity, or (iii) if prohibited by Applicable Law or any of the other provisions of the Agreement.

(d) Operations. Lessee will use, operate, load, hangar and store the Aircraft in a careful and proper manner under and in compliance with all applicable provisions of the FARs and with all other Applicable Standards, including, any of the same applicable to airworthiness, security, or operation within any then applicable jurisdiction for the purposes contemplated in the Agreement Lessee shall have "operational control" of the Aircraft (as determined in accordance with the FARs and any other Applicable Laws) and operate the Aircraft pursuant to Part 91, and neither operate nor permit the Aircraft to be operated for air taxi operations or otherwise under Part 135 of the FARs.

(e) Maintenance. Lessee will, at its own expense, (i) maintain, inspect, service, repair, overhaul and test the Aircraft, make any alterations or modifications to the Aircraft, and furnish all parts, replacements, avionics, equipment, mechanisms and devices, and otherwise conform its physical attributes, cause the Aircraft to have communications capabilities, and maintain (in English) all Records for or with respect to the Aircraft (all of which shall immediately, without further act, become part of the Aircraft and subject to Lessor's interest), utilizing properly trained, licensed, and certified maintenance sources and personnel utilizing replacement parts approved by the FAA and the applicable manufacturer, in each case, (A) as and to the extent the same may at any time be required to comply with Applicable Standards and (B) so that its value, condition and operating efficiency will at all times be no less than was the case when delivered to Lessee, ordinary wear and tear from proper use alone excepted (including, by (1) enrolling and maintaining the Airframe in a Maintenance Program, and/or the Engine in the Engine Maintenance Program and (2) complying with all mandatory service bulletins and airworthiness directives by completing the same through corrective modification in lieu of operating manual restrictions); (ii) adopt, implement and comply with all security measures required by any Applicable Standards, or that are necessary or appropriate for the proper protection of the Aircraft (whether on the ground or in flight) against theft, vandalism, hijacking, destruction, bombing, terrorism or similar acts; (iii) not make or authorize any improvement, change, addition or alteration to the Aircraft if it will impair the originally intended function or use of the Aircraft, impair the value of the Aircraft as it existed immediately prior thereto, or violate any Applicable Standard; and (iv) if requested by Lessor, attach to the Aircraft a notice disclosing Lessor's interest in the Aircraft.

(f) Insurance. Lessee agrees to maintain at all times, at its own cost and expense, with insurers of recognized responsibility reasonably satisfactory to Lessor (but in no event having an A.M. Best or comparable agency rating of less than "A-"): (i) (A) comprehensive Aircraft and general liability insurance against bodily injury or property damage claims including contractual liability, premises damage, public liability, death and property damage liability, public and passenger legal liability coverage, and sudden accident pollution coverage, in an amount not less than \$50,000,000.00 for each single occurrence, (B) personal injury liability in an amount not less than \$25,000,000.00, (ii) "all-risk" ground, taxiing, and flight hull insurance on an agreed-value basis, covering the Aircraft, provided that such insurance shall at all times be in an amount not less than the greater of (A) the full replacement value of the Aircraft (as determined by Lessor), or (B) the unpaid principal amount of the Equipment Schedule (each such amount re-determined as of each anniversary of the date hereof for the next succeeding year throughout the term of the Agreement), (iii) war risk and allied perils (including confiscation, appropriation, expropriation, terrorism and hijacking insurance) in the amounts required above. Any policies of insurance carried in accordance with this Section and any policies taken out in

substitution or replacement or any such policies shall (i) be amended to name each of Lessor and Lessee as an additional insured under any liability policies, (ii) provide that any amount(s) payable thereunder shall be paid directly to Lessor, as loss payee, (iii) provide that any cancellation, lapse or substantial change of any of the required coverages shall not be effective until the thirtieth (30th) day following Lessor's receipt of written notice by such insurer thereof, (iv) provide that the insurance shall not be invalidated as to Lessor or Lessee by any action or inaction of Lessee or any other person or entity (other than Lessor) as it relates to physical damage coverage, and regardless of any breach or violation of any warranties, declarations or conditions contained in such policies by or binding upon Lessee or any other person or entity (other than Lessor), (v) be primary insurance, not subject to any co-insurance clause and without right of contribution from any other insurance, (vi) provide that all of the provisions thereof, except the limits of liability, shall operate in the same manner as if there were a separate policy covering each insured or loss payee, and (vii) waive any right of such insurer to any setoff, counterclaim or other deduction, by attachment or otherwise, in respect of Lessor or Lessee. All of the coverage required herein (the "**Required Coverage**") shall be in full force and effect worldwide throughout any geographical areas to, in or over which the Aircraft is operated. Annually on the anniversary of the date the Schedule is funded, Lessee shall furnish to Lessor an insurance certificate evidencing that Lessee has obtained the Required Coverage. Lessee will also advise Lessor in writing at least thirty (30) days prior to the expiration or termination date of any of the Required Coverage.

(g) Event of Loss. Upon the occurrence of any Event of Loss with respect to the Airframe Lessee shall notify Lessor within five (5) days of the date thereof. Upon an Event of Loss with respect to any Engine, Rotor Blade, or Rotor Components (a "**Lost Item**"), but not the Airframe, Lessee shall give Lessor prompt written notice thereof and shall within thirty (30) days after the occurrence of such Event of Loss, duly convey to Lessor a security interest consistent with the terms of the Master Agreement in a similar or better engine, or rotor blade, or rotor components (a "**Replacement Item**") of the same make and model number as the Lost Item. Such Replacement Item shall be free and clear of all liens, have a value, utility, and useful life at least equal to, and be in as good an operating condition as, the Lost Item, assuming such Lost Item was of the value and utility and in the condition and repair required by the terms hereof immediately prior to the occurrence of such Event of Loss. Lessee, at its own cost and expense, shall (i) furnish Lessor with such documents to evidence such conveyance as Lessor shall request, (ii) cause the Replacement Item to be subject to the Lessor's Lien under this Addendum and the Agreement, and (iii) take such other actions as may be required by Lessor to cause the Lessor's Lien therein to be validly created, perfected and have first priority, including as evidenced on the FAA Registry, the International Registry, and any other recording office. Each such Replacement Item shall, after such conveyance be deemed an "**Engine**", "**Rotor Blade**", or "**Rotor Components**", as defined herein, and shall be deemed part of the Aircraft and subject to Lessor's interest. No Event of Loss with respect to any Lost Item shall result in any reduction or delay in the payment of payments due under the Equipment Schedule or relieve Lessee of any obligation hereunder.

(h) Redelivery. At any time when Lessee is required by the terms of the Agreement to deliver the Aircraft to Lessor, Lessee shall, at Lessee's expense, deliver the Aircraft to a location within the continental United States as Lessor shall designate, and otherwise in strict compliance with the conditions set forth in Annex B to this Addendum.

(i) Further Assurances. Lessee agrees that it shall promptly execute and deliver to Lessor and any assignee such further instruments, UCC and FAA filings (including an IDERA) and other documents, make, cause to be made and/or consent to all registrations (including any

discharges and subordinations, or as to the prospective or actual sale of, and international interest in, the Engine) with the International Registry, and other documents, and take such further action, as Lessor may from time to time reasonably request in order to further carry out the intent and purpose of the Agreement and to establish, enforce, protect and/or effectuate an assignment of the rights, interests and remedies created, or intended to be created, in favor of Lessor thereby.

(j) Aircraft Registration. Lessee shall remain solely responsible to cause the Aircraft to be effectively and otherwise validly registered in Lessee's name on the Registry, and without limiting the foregoing, or any other provision of this Lease, Lessee shall:

(i) cause the Registration Certificate to be maintained within the Aircraft and cause the then currently assigned U.S. registration number to remain on the Aircraft; including by (A) notifying Lessor immediately of any event or circumstance with respect to which the Registration Requirements require further action by Lessee, Lessor, the Registry or any other governmental authority or other person, (B) immediately upon receipt, placing the original, replacement or renewal Registration Certificate on the Aircraft prior to the expiration or other invalidation of any previously issued Registration Certificate (whether the certificate or any other document constituting the Registration Certificate as defined herein) under the Registration Requirements, and (C) complying with any and all of the other Registration Requirements relating to such Registration Certificate, and to the Registration Certificate replaced thereby (including any of the same relating to the destruction or return thereof, as the case may be);

(ii) with respect to any Defective Registration (and without waiving Lessee's responsibility to avoid such circumstance), at all times upon and after the operation of the Aircraft shall no longer be authorized by the Registration Requirements, Lessee shall (A) neither operate nor permit or suffer the operation of the Aircraft without a currently effective and otherwise valid Registration Certificate (and shall cause the pilots to be made aware of the Defective Registration), and otherwise comply with the FARs and other Applicable Laws relating to such Defective Registration, (B) ground and store the Aircraft, and (C) inform the insurer or insurers, and obtain and maintain adjustments to the insurance coverage required pursuant to this Addendum which may be necessary or desirable to Lessor so as to reflect any changes in the insurable risks relating to any Defective Registration; and

(iii) pay or reimburse Lessor upon its demand for all fees, charges, impositions, penalties, fines or other similar amounts payable or incurred in connection with any of the foregoing (whether related to the compliance or failure to comply with any of the same); and fully and timely cooperate with Lessor so as to enable Lessor to complete and file the registration, renewal and replacement applications, and any other filings, fees or other payments or undertakings as and when required by the Registration Requirements, and to take any and all of the other actions contemplated herein, as and when required by the Registration Requirements or as otherwise requested by Lessor, including with respect to any Assignment or any other disposition contemplated in the Agreement.

With respect to any such Defective Registration, in no event will Lessor be deemed liable to Lessee or any other person as a result of any Defective Registration, whether by reason of Lessor's failure to accurately complete or effectively file any such registration filing or otherwise, and without limiting the foregoing, (i) Lessee shall remain obligated to pay and perform all of its obligations to Lessor and (ii) Lessee agrees that it shall pay, indemnify, defend and hold each Lessor harmless on an after-tax basis from and against any and all claims in any way relating to or arising out of any Defective Registration.

5. Supplemental Indemnifications

(a) Taxes. In addition to those taxes and other charges noted in the Master Lease Agreement, Lessee shall also be responsible for taxes, imposts, assessments, duties and charges (together with any penalties, fines or interest thereon) payable with respect to manufacturing, ordering, shipment, purchase, ownership, delivery, installation, hangaring, leasing, use, operation, or return thereof, any Third Party Agreement, or other disposition of the Aircraft, or services provided in connection therewith; including, for example, any custom duties, landing fees, airport charges, navigation service charges, and route navigation charges.

(b) Expenses. In addition to any other costs and expenses for which Lessee may be responsible under the Agreement, Lessee agrees that it shall pay to Lessor upon demand all fees, costs and expenses incurred by or on behalf of Lessor at any time in connection with the enforcement or other exercise of any of Lessor's rights and remedies under or with respect to this Addendum such as, without limitation, appraisal and inspection fees, the fees and expenses of Aviation Counsel, consultants and brokers, UCC, FAA, International Registry, and other applicable title and Lien searches, and costs and expenses relating to recovery, repossession, hangaring, storage, insurance, transportation, repair, refurbishment, advertising, sale and other dispositions of the Aircraft.

6. Supplemental Restrictions.

(a) No Dispositions. In supplement to the Master Lease Agreement Lessee shall not install the Engine, Rotor Blade, Rotor Components, or Part, or permit the same to be installed, on any aircraft other than the Aircraft.

7. Supplemental Defaults and Remedies.

(a) Events of Default. In addition to Events of Default listed in Section 12.01 of the Master Lease Agreement, the occurrence of any of the following shall constitute an immediate Event of Default: (i) the Aircraft is operated in a manner, at a time or in or over or located at a place with respect to which Required Coverage shall not be in effect; or (ii) Lessee shall breach any representation, warranty or agreement in this Addendum requiring compliance with Applicable Law.

(b) Additional Remedies. If an Event of Default occurs, in addition to all other rights and remedies granted to it in the Agreement, Lessor may exercise any one or more of the following remedies with respect to the Aircraft (including, the Airframe and any or all of the Engine, Rotor Blade and Rotor Components, Parts, Records or other property constituting the Aircraft, whether or not then attached to or on board the Airframe):

(i) (A) terminate the right of any third party to use, possess or control the Aircraft, including under any Third Party Agreement, without regard as to the existence of any event of default thereunder, (B) recover from, and/or cause Lessee and any such third party, to relinquish possession and return the Aircraft and/or (C) exercise any and all other remedies in Lessee's stead, to the extent provided for under, or otherwise available to Lessee in connection with the related Third Party Agreement;

(ii) (A) demand from any court speedy relief pending final determination available at law (including, possession, control, custody or immobilization of the Aircraft, or

preservation of the Aircraft and its respective value), and/or (B) procure the deregistration and/or export and physical transfer of the Aircraft from the territory in which it is then situated;

(iii) Lessor may exercise all rights and remedies as a creditor, chargee or security assignee under the Cape Town Convention (including any and all remedies thereunder requiring agreement by Lessee) and Lessee hereby acknowledges that none of the provisions of this Section 7 or the Agreement, including any remedies set forth or referenced herein or therein, is "manifestly unreasonable" for the purposes of the Cape Town Convention.

8. Definitions. (a) Any terms defined elsewhere in this Addendum, together with the following defined terms, shall pertain to this Addendum (and as incorporated therein, the Agreement):

Aircraft shall mean (i) the Airframe, (ii) the Engines, (iii) the Rotor Blade, and Rotor Components and (iv) the Records, and all accessories, additions, accessions, alterations, modifications, Parts, repairs and attachments now or hereafter affixed thereto or used in connection therewith, and all Permitted Replacements and all other replacements, substitutions and exchanges (including trade-ins) for any of the foregoing.

Airframe shall mean (i) the Aircraft described in Annex A hereto, but solely for the purposes of this definition, shall not include the Engine, Rotor Blade, and Rotor Components, and (ii) any and all related Parts.

Applicable Law shall mean (in addition to any of the same contemplated in the Agreement) all applicable laws, statutes, treaties, conventions, judgments, decrees, injunctions, writs and orders of any court, governmental agency or authority and rules, regulations, orders, directives, licenses and permits of any governmental body, instrumentality, agency or authority as amended and revised, and any judicial or administrative interpretation of any of the same, including (a) any of the same whether domestic, foreign, national, local or international, relating to, among other things, (i) Lessor, Lessee, or any other pertinent person or entity, (ii) the Aircraft (including the Engine, Rotor Blade, Rotor Components or Part), including as to its use, operation, piloting, outfitting, service, maintenance or repair, or any transportation or other services provided in connection therewith, or (iv) without limiting any of the foregoing, relating to (a) taxes or other impositions, noise, the environment (including any substances in, on or emitted from any of the same), national security, public safety, insurance, exports or imports or contraband, and/or (b) without limiting the foregoing, the Cape Town Convention, the UCC, the Transportation Code, all FARs, the airworthiness certificate issued with respect to the Aircraft, all applicable airworthiness directives issued by the FAA or similar regulatory agency having jurisdictional authority.

Applicable Standards shall mean (i) Applicable Law, (ii) the requirements of the insurance policies required hereunder, (iii) any mandatory accreditation requirements pertinent to the operation of the Aircraft, and (iv), with respect to the Aircraft (including, by way of example, the Airframe or the Engine, Rotor Blade, Rotor Components, Component or Part), all compliance requirements set forth in or under (A) all maintenance manuals initially furnished with respect thereto, including any subsequent amendments or supplements to such manuals issued by the manufacturer or supplier thereof from time to time, (B) all mandatory service bulletins issued, supplied, or available by or through the applicable manufacturer with respect thereto, (C) all conditions to the enforcement of any warranties pertaining thereto, (D) Lessee's FAA approved maintenance program with respect thereto, if any.

Aviation Counsel shall mean Daugherty Fowler Peregrin Haught & Jenson of Oklahoma City, OK or such counsel as Lessor may designate from time to time.

Defective Registration means any failure to cause the Aircraft to be effectively registered with the Registry in the name of Lessee in accordance with the applicable Registration Requirements, for any reason whatsoever, including should such registration be revoked, canceled or expired or otherwise deemed to have ended or been invalidated pursuant to the Registration Requirements.

Engine shall mean (i) the engine described in Annex A hereto, whether or not hereafter installed on the Aircraft or any other aircraft from time to time; (ii) any engine that may from time to time be substituted for the Engine constituting a Replacement Item; and (iii) any and all related Parts.

Engine Maintenance Program shall mean the Engine manufacturer's Engine maintenance program to the extent covered by any applicable warranty, and thereafter, either the Engine manufacturer's service program or an agreement, in form and substance reasonably satisfactory to Lessor entered into from time to time between Lessee and such vendor as Lessee may designate and as may be reasonably satisfactory to Lessor, which provides for the maintenance and/or overhaul of the Engine consistent with the Engine manufacturer's service program.

Event of Loss shall mean (in addition to any of the same contemplated in the Agreement) any of the following events with respect to the Aircraft (or, by way of example, the Airframe, the Engine, Rotor Blade, or Rotor Components): (a) loss of such property or the use thereof due to theft, disappearance, destruction, damage beyond repair or resulting in an insurance settlement on the basis of a total or constructive total loss; (b) any taking of title to or use or possession of, such property by the act of any governmental authority (foreign or domestic); (c) as a result of any Applicable Law or other action by any governmental authority (foreign or domestic), including the FAA, the use of such property shall have been prohibited, or such property shall have been declared unfit for use, for a period of six (6) consecutive months; (d) with respect to the Engine, Rotor Blade or Rotor Components, the removal thereof from the Airframe for a period of six (6) months or longer; or (e) such property shall be returned to the manufacturer other than for repair, replacement or maintenance. An Event of Loss with respect to the Aircraft shall be deemed to have occurred if an Event of Loss occurs with respect to the Airframe. An Event of Loss with respect to the Engine, Rotor Blade, or Rotor Components shall not, without loss of the Airframe, be deemed an Event of Loss with respect to the Aircraft.

FAA shall mean the United States Federal Aviation Administration and/or the Administrator of the Federal Aviation Administration and the Department of Transportation, or any person or entity, governmental department, bureau, authority, commission or agency succeeding the functions of any of the foregoing, including, where applicable, the TSA.

FARs shall mean the Federal Aviation Regulations and any Special Federal Aviation Regulations (Title 14 C.F.R. Part 1 et seq.), together with all successor regulations thereto.

Liens shall mean (in addition to any of the same contemplated in the Agreement) all liens, charges, security interests, leaseholds, and encumbrances of every nature and description whatever, including any rights of third parties under Third Party Agreements.

Maintenance Program shall mean the manufacturer's Airframe maintenance program to the extent covered by any applicable warranty, and thereafter, either the manufacturer's service program or an agreement, in form and substance reasonably satisfactory to Lessor entered into from time to time between Lessee and such vendor as Lessee may designate and as may be reasonably satisfactory to Lessor, which provides for the maintenance and/or overhaul of the Airframe consistent with the manufacturer's service program.

Parts shall mean all appliances, avionics, parts, instruments, appurtenances, accessories, furnishings and other equipment of whatever nature (other than the complete Engine, Rotor Blade, or Rotor Components) that may from time to time be incorporated or installed in or attached to the Airframe, the Engine Rotor Blade, or Rotor Components, and any and all such appliances, avionics, parts, rotor components, instruments, appurtenances, accessories, furnishings and other equipment removed therefrom so long as the same have not been released from the Lessor's lien pursuant to the applicable terms of the Agreement, and all Replacement Items or any of the same.

Primary Hangar Location shall mean the location identified as such on Annex A hereto.

Proceeds shall mean (in addition to any of the same contemplated in the Agreement) all of Lessee's rights in and to any of the foregoing, and any and all rents, payments, charter hire and other amounts of any kind whatsoever due or payable under or in connection with the Aircraft, including, (a) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to Lessee from time to time, (b) any and all payments (in any form whatsoever) made or due and payable to Lessee from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture by any governmental body, authority, bureau or agency or any other person or entity (whether or not acting under color of governmental authority), and (c) any and all other rents or profits or other amounts from time to time paid or payable.

Records shall mean any and all logs, manuals, certificates and data and inspection, modification, maintenance, engineering, technical, and overhaul records (whether in written or electronic form) with respect to the Aircraft (including, by way of example, the Airframe, the Engine, Rotor Blade, Rotor Components, or Part), including any and all of the same (a) required to be maintained by the FAA or any other governmental agency or authority having jurisdiction, or by any manufacturer or supplier with respect to the enforcement of warranties or otherwise, (b) evidencing Lessee's compliance with Applicable Standards, and (c) with respect to any maintenance service program.

Registerable Interests shall mean all existing and prospective international interests and other interests, rights and/or notices, sales and prospective sales, assignments, subordinations and discharges, in each case, susceptible to being registered at the International Registry pursuant to the Cape Town Convention.

Registration Certificate means a currently effective Certificate of Aircraft Registration, AC Form 8050-3, or any other certificate issued to Lessor evidencing the currently effective registration of the Aircraft in its name, in connection with the operation of the Aircraft in the United States pursuant to the Registration Requirements, or any other document as may then be required to be maintained within the Aircraft by such Registration Requirements, either together with or in lieu of such certificate.

Registration Requirements means the requirements for registering aircraft with the Registry under 49 U.S.C. 44101-44104, and 14 C.F.R. § 47 as then in effect, any successor laws, rules or regulations pertaining to applicants for and holders of a Registration Certificate, the U.S. registration number for the Aircraft, and any such other FARs and other Applicable Laws, in each case as and to the extent pertaining to the registration of Lessor's ownership of the Aircraft with the Registry, including any renewal of such registration, or replacement of any such Registration Certificate.

Registry means the FAA Civil Aviation Registry, Aircraft Registration Branch, or any successor registry having an essentially similar purpose pertinent to the ownership registration of the Aircraft pursuant to the Registration Requirements.

Rotor Blade shall mean (i) each of the rotor blades described and listed by manufacturer's serial numbers in Annex A hereto, whether or not hereafter installed on the Aircraft or any other aircraft from time to time; (ii) any rotor blade that may from time to time be substituted for the Rotor Blade constituting a Replacement item; and (iii) any and all related Parts.

Rotor Component shall mean (i) each of the rotor gear boxes, tail rotor gear boxes, combined gearboxes, transmissions, servos, main and tail rotor head components and other rotor components described and listed by manufacturer's serial numbers in Annex A hereto, whether or not hereafter installed on the Aircraft or any other aircraft from time to time; (ii) any rotor blade that may from time to time be substituted for the Rotor Component constituting a Replacement item; and (iii) any and all related Parts.

Third Party Agreements shall mean (other than the Financing Documents) any and all leases, subleases, interchange agreements, charter agreements, pooling agreements, timeshare agreements and any other similar agreements or arrangements of any kind whatsoever relating to the Aircraft (or by way of example, the Airframe or Engine).

Transaction Documents shall mean, collectively, the Purchase Documents, the Loan Documents, any and all permitted Third Party Agreements, and any other document, agreement or instrument entered into for the purposes of effectuating the transactions contemplated in the Loan Documents, or relating thereto.

Transportation Code shall mean Subtitle VII of Title 49 of the United States Code, as amended and recodified.

TSA shall mean the Transportation Security Administration and/or the Administrator of the TSA, or any person or entity, governmental department, bureau, authority, commission or agency succeeding the functions of any of the foregoing.

(b) **CTC Terms**. Certain of the terms used in this Addendum have the meaning set forth in and/or intended by the "**Cape Town Convention**" ("**CTC Terms**"), which term means, collectively, (i) the official English language text of the Convention on International Interests in Mobile Equipment, adopted on 16 November 2001 at a diplomatic conference held in Cape Town, South Africa, as the same may be amended or modified from time to time (the "**Convention**"), (ii) the official English language text of the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, adopted on 16 November 2001 at a diplomatic conference held in Cape Town, South Africa, as the same may be amended or modified from time to time (the "**Protocol**"), and (iii) the related procedures

and regulations for the International Registry of Mobile Assets located in Dublin, Ireland and established pursuant to the Cape Town Convention, along with any successor registry (the "**International Registry**"), issued by the applicable supervisory authority pursuant to the Convention and the Aircraft Protocol, as the same may be amended or modified from time to time. By way of example, but not limitation, these CTC Terms include, "administrator", "associated rights", "contract of sale", "sale", "prospective sale", "proceeds", "international interests", "prospective international interest", "security assignment", "transfer", "working days", "consent", "final consent", "priority search certificate", "professional user entity", "transacting user entity" and "contract"; except "proceeds" shall also have the meaning set forth below.

9. Truth in Leasing. TO THE BEST OF THEIR KNOWLEDGE, LESSEE HEREBY CERTIFIES AS FOLLOWS:

(A) DURING THE TWELVE MONTHS (OR PORTION THEREOF DURING WHICH THE AIRCRAFT HAS BEEN SUBJECT TO UNITED STATES REGISTRATION) PRECEDING THE EXECUTION OF THE AGREEMENT THE AIRCRAFT HAS BEEN MAINTAINED AND INSPECTED UNDER PART 91 OR PART 135 (AS APPLICABLE) OF THE FEDERAL AVIATION REGULATIONS. THE AIRCRAFT IS IN COMPLIANCE WITH APPLICABLE MAINTENANCE AND INSPECTION REQUIREMENTS UNDER THE FEDERAL AVIATION REGULATIONS FOR THE OPERATION OF THE AIRCRAFT TO BE CONDUCTED UNDER THE ADDENDUM.

(B) THE NAME AND ADDRESS OF THE PERSON RESPONSIBLE FOR OPERATION CONTROL OF THE AIRCRAFT UNDER THE AGREEMENT IS:

Tim Perkins
Division Chief
Special Operations Division
1 Fire Authority Road
Irvine, CA 92602

BY SIGNATURE BELOW, LESSEE CERTIFIES THAT IT UNDERSTANDS ITS RESPONSIBILITIES FOR COMPLIANCE WITH ALL OF THE APPLICABLE FEDERAL AVIATION REGULATIONS.

AN EXPLANATION OF FACTORS BEARING ON OPERATIONAL CONTROL AND PERTINENT FEDERAL AVIATION REGULATIONS CAN BE OBTAINED FROM THE NEAREST FAA FLIGHT STANDARDS DISTRICT OFFICE, GENERAL AVIATION DISTRICT OFFICE, OR AIR CARRIER DISTRICT OFFICE.

[Signatures on Next Page]

IN WITNESS WHEREOF, the parties by their duly authorized officers have executed this
ADDENDUM RELATING TO AIRCRAFT as of the date and year first above written.

Orange County Fire Authority
as Lessee

By: _____

Name: _____

Title: _____

[SEAL]

Banc of America Public Capital Corp,
as Lessor

By: _____

Name: _____

Title: _____

ANNEX A

AIRCRAFT DESCRIPTION and PRIMARY HANGAR LOCATION

This Annex A is attached to and a part of the **ADDENDUM RELATING TO AIRCRAFT** (the "**Addendum**") dated as of [DATE] among **Banc of America Public Capital Corp ("Lessor")** and **Orange County Fire Authority ("Lessee")** for the purposes contemplated therein.

1. AIRCRAFT DESCRIPTION:

(A) Helicopter 1

Airframe Make/Model: Sikorsky S-70M, Type 1, FIREHAWK

Year: 2022

Airframe Serial No.: 704119

U.S. Identification No.: N411FA (formerly, N619PL)

Engine(s) (2): GE Model T700 GE 701, Serial Numbers:
GE-E355686
GE-E355693

Main Rotor Assembly: Manufacturer: Sikorsky

Main Rotor Gear Box: Serial No.: A809-02268

Main Rotor Blades:

Four total.

1. Serial No.: A852-08379
2. Serial No.: A852-08382
3. Serial No.: A852-08380
4. Serial No.: A852-08377

Tail Rotor Assembly: Manufacturer: Sikorsky

Tail Rotor Gear Box: Serial No.: A006-06379

Tail Rotor Blade(s):

Two total:

1. Serial No.: A009-15106
2. Serial No.: A009-15107

(B) Helicopter 2

Airframe Make/Model: Sikorsky S-70M, Type 1, FIREHAWK

Year: 2022

Airframe Serial No.: 704121

U.S. Identification No.: N412FA (formerly, N621PL)

Engine(s) (2): GE Model T700 GE 701D, Serial Numbers:
GE-E355690
GE-E355702

Main Rotor Assembly: Manufacturer: Sikorsky

Main Rotor Gear Box: Serial No.: A505-03454

Main Rotor Blades:

Four total.

1. Serial No.: A852-08378
2. Serial No.: A852-08383
3. Serial No.: A852-08385
4. Serial No.: A852-08381

Tail Rotor Assembly: Manufacturer: Sikorsky

Tail Rotor Gear Box: Serial No.: A006-06509

Tail Rotor Blade(s):

Two total:

1. Serial No.: A009-14218

2. Serial No.: A009-14206

Together with all engines, rotors, propellers, avionics, communication equipment, navigation equipment, instruments, accessories, attachments, parts, appurtenances, accessions, furnishings and other equipment attached to, installed in or relating to any of the foregoing property and all maintenance and service logs and records relating to the foregoing property, including or each Aircraft standard avionics and equipment, mission equipment and outfitting all other accessories, additions, modifications and attachments to, and all replacements and substitutions for, any of the foregoing, all as more particularly described in Proposal Document No. GP21-007, dated [REDACTED] and issued by United RotorCraft, a Division of Air Methods Corporation, to Lessee.

The Airframe is of a type certified by the FAA to transport at least five (5) persons including crew; or goods in excess of 450 kilograms. The Engine has at least 550 rated takeoff shaft horsepower or the equivalent of such horsepower.

The Aircraft and Equipment shall include also all property and equipment acquired with the proceeds of Equipment Schedule No. 1.

2. **PRIMARY HANGER LOCATION:** The Primary Hangar Location of the Aircraft is and shall be as follows: Fullerton Municipal Airport, 4011 West Commonwealth Avenue, Fullerton, CA 92833.

ANNEX B

Banc of America Public Capital Corp Aircraft Addendum Ancillary Provisions

Return. In addition to any return conditions contained in the Master Lease Agreement, Lessee agrees that it shall further meet the following conditions with respect to the Aircraft:

1. **General:** Upon an Event of Default and Lessor's demand that Lessee return the Aircraft in accordance with the Agreement, Lessee shall deliver possession and return the Aircraft to Lessor with (i) the Records and other documentation listed on Exhibit A hereto and (ii) all inspections, modifications and overhaul records applicable to the Aircraft. Until the Aircraft is returned to Lessor, all of the provisions of the Agreement shall remain in full force and effect. Lessee shall pay all the cost and expenses in connection with or incidental to the return of the Aircraft, including, without limitation, the cost of preparing, insuring and transporting the Aircraft.

2. Return Conditions and TBO:

a. Return Condition. The Aircraft shall be clean by prudent operating standards followed by other similarly situated operators, all decals, numbers and other Lessee identification shall be removed from the Aircraft by Lessee in a good and workmanlike manner without damage to the Aircraft at Lessee's expense, and the Aircraft shall meet the conditions set forth in Section 4 herein. Lessee shall, upon request, assign to Lessor its rights under any manufacturer's maintenance service contract or extended warranty for the Aircraft (including, by way of example, the Airframe, the Engine, Rotor Blade, Rotor Components or Part thereof).

b. Time Between Overhauls ("TBO"). Upon return, the Aircraft (including, by way of example, the Airframe, the Engine, Rotor Blade, Rotor Components, or other Part thereof), shall have one half (50%) or more of the available operating hours before overhaul, as applicable, and/or one half or more of the stated calendar time and cycles remaining before overhaul as stated in the applicable FARs. In the event that the Aircraft does not meet the above conditions with respect to the Airframe, the Engine, Rotor Blade, Rotor Components, or other Part thereof, then Lessee shall pay the dollar amount per hour for each hour by which the time relating to such non-complying item shall exceed one half (50%) of allowable time between overhaul. This dollar amount will be an amount equal to the pro rata share of overhaul or replacement by which the use exceeds one half (50%) of the TBO for that item and based on the then anticipated cost of overhaul or replacement as determined by an estimate from an FAA authorized repair facility which is mutually acceptable to both Lessor and Lessee.

c. Servicing and Repair: If, upon return, the Aircraft requires repair work which could not reasonably be deemed to have resulted from ordinary wear and tear, or if the Aircraft shall not have been serviced in accordance with manufacturer's specifications, then Lessee shall reimburse Lessor for the cost of such repairs and servicing. The determination and cost of such repair and servicing shall be made by a mutually acceptable FAA certified mechanic and/or repair facility. In the event of a difference of opinion between Lessor and Lessee, the manufacturer's judgment shall be binding.

d. Inspection Costs: Lessor shall arrange for the inspection of the Aircraft when returned to determine if the Aircraft has been maintained and returned in accordance with the provisions of the Agreement (including as modified by the Addendum and this Annex). Lessee shall be responsible for the cost of such inspection and shall pay Lessor such amount within ten (10) days of demand. Lessee shall also pay Lessor a pro rata cost of the next regularly

scheduled Aircraft inspection which shall be determined by dividing the number of hours since the last inspection by the total hours between inspections times the cost of the inspection.

3. **Return Location:** Lessee at its expense will return the Aircraft to Lessor to such airport within the continental United States as Lessor shall reasonably designate in writing.

4. **General Condition of Aircraft at Return:**

- a. The Aircraft will possess a valid current FAA -Certificate of Airworthiness.
- b. The Aircraft (including, by way of example, the Records) will have been maintained and repaired in accordance with [Lessee's Maintenance Program], all Applicable Laws and any other requirements of the Agreement.
- c. The Aircraft will be airworthy and ready for flight.
- d. The Aircraft will be in the same working order and condition as at delivery (reasonable wear and tear from normal flight operations excepted), with all pilot discrepancies and deferred maintenance items cleared on a terminating action basis. All equipment, components and systems will be operating in accordance with their intended use and within limits approved by each manufacturer and all Applicable Laws.
- e. The Aircraft will be returned with the Engine, Rotor Blade, Rotor Components, and Parts installed and with the same equipment as at delivery, subject only to those replacements, additions and modifications permitted hereunder.
- f. All airworthiness directives and other instructions of the FAA requiring compliance prior to return of the Aircraft to Lessor will have been performed on the Aircraft on a terminating action basis. Any airworthiness directives of the FAA which must be completed within one hundred eighty (180) days after the return date must also be performed on a terminating action basis by Lessee at Lessee's cost unless, after using best efforts, Lessee is unable to acquire the material, parts or components necessary to accomplish such airworthiness directive or such compliance is waived by Lessor in writing.
- g. If any waivers, dispensations or extensions are granted by the FAA with respect to any airworthiness directives or operating or maintenance requirements or the maintenance program permits the carryover or deferral of such items, Lessee at its sole cost and expense will nonetheless perform such airworthiness directives and other operating or maintenance requirements prior to the Aircraft's return, on a terminating action basis as if such waivers, dispensations or extensions did not exist.
- h. The Aircraft will be free from any liens except those created by or through Lessor and no circumstances will have so arisen whereby the Aircraft is or could become subject to any lien or right of detention or sale in favor of any airport or any other authority whatsoever.
- i. All vendors and manufacturer's service bulletin kits received by Lessee for the Aircraft but not installed thereon will be on board the Aircraft as cargo.
- j. The fuel tank and oil tank will be at least 50% full.

5. Indemnities and Insurance: The indemnities and insurance requirements set forth in the Agreement (including as modified by this Addendum) will apply during return of the Aircraft, including the ground inspection.

6. Airport and Navigation Charges: Lessee will ensure that at return of the Aircraft any and all airport, navigation and other charges which will give rise or may if unpaid give rise to any lien, right of detention, right of sale or other lien in relation to the Aircraft, whether incurred in respect of the Aircraft or any other Aircraft or aircraft operated by Lessee, have been paid and discharged in full (whether or not due) and will at Lessor's request produce evidence thereof satisfactory to Lessor.

EXHIBIT A TO ANNEX B

Aircraft Documentation and Other Records

The following Records are to be returned with the Aircraft in a current up-to-date and correct status:

MANUALS:

AIRCRAFT RECORDS AND HISTORICAL DOCUMENTS

1. Aircraft log book (current and file copies).
2. Aircraft readiness log.
3. Maintenance Time Control Report (components, maintenance visit, special item next due Airframe hours and cycles).
4. Aircraft previous maintenance visit record including the last inspection performed.
5. Airworthiness Directive Compliance Summary.
6. Rigging Document.
7. Serviceable Tags for all ratable components installed (Airframe and Engines).
8. Airworthiness Directives requiring continuous surveillance.
9. Service Bulletins terminated accomplishment status.
10. Service Bulletins requiring continuous surveillance summary and maintenance control action.
11. Airframe, Component and Engine history records.
12. FAA Form 337 for Airframe, repair/overhaul certification of last major visit.
13. FAA Form 337 for Engine, repair/overhaul certification of last shop visit.
14. Engine readiness Log for the Engine.
15. Engine readiness Log for the Engine (components installed).
16. Summary of Service Bulletin's accomplished for the Engine.
17. Summary of Airworthiness Directives accomplished for the Engine.
18. Service Bulletins and Airworthiness directives status requiring continuous surveillance with maintenance, control action for the Engine.

19. Engine Time summary sheet including life limited items for the Engine.
20. Engine Log Books for the Engine (current and file copies).

ANNEX C
FORM OF SECURITY AGREEMENT

Aircraft Security Agreement

SECURED PARTY:	BANC OF AMERICA PUBLIC CAPITAL CORP (the " Secured Party ") 11333 McCormick Road Mail Code: MD5-031-06-05 Hunt Valley, MD 21031 Telephone: 443-541-2613
DEBTOR:	ORANGE COUNTY FIRE AUTHORITY One Fire Authority Road Irvine, CA 92602 Telephone: (714) 573-6761
DATED:	November 3, 2022

Debtor grants to Secured Party, for the benefit of Secured Party and its successors and assigns, a security interest and International Interest constituting a first lien, in all of Borrower's respective right, title and interest in and to the property described on the attached Exhibit A, now or hereafter arising or acquired, wherever located, together with any and all additions, accessions, parts, accessories, modifications, substitutions and replacements thereof, now or hereafter installed in, affixed to or used in connection with said property (the "**Property**"), in all proceeds thereof, cash and non-cash (collectively the "**Collateral**").

The security interest created in favor of the Secured Party in the above-described Collateral secures the payment and performance obligations of Debtor under the Schedule of Property No. 1, between Secured Party, as lessor, and Debtor, as lessee, dated as of November 3, 2022 (the "**Equipment Schedule**"), entered into pursuant to that certain Master Equipment Lease/Purchase Agreement, dated as of November 3, 2022, between Lessor and Lessee, (the "Master Lease Agreement" and, together with the Equipment Schedule, and including all related attachments, supplements and amendments"), said Equipment Schedule being amended by the Addendum Relating to Aircraft, dated November 3, 2022 (the "Aircraft Addendum") (collectively, the Master Lease Agreement and, together with the Equipment Schedule and Aircraft Addendum, and including all related attachments, supplements and amendments, being referred to herein as, the "**Agreement**"). The total principal component of the payment obligation under the Agreement is the Payment Obligation set forth on Exhibit A. The final payment date under the Agreement for the payment obligation is January 10, 2038.

Debtor hereby declares and warrants to Secured Party that they are the absolute owner of the legal and beneficial title to the Property and in possession thereof, and the same is clear of all liens, encumbrances and adverse claims whatsoever, except for the security interest granted herein in favor of Secured Party.

This Security Agreement is subject to the provisions set forth in the Agreement, including but not limited to remedies upon default and provisions with respect to abatement.

It is the intention of the parties to deliver this instrument in the State of California.

[Execution page follows.]

IN WITNESS WHEREOF, Debtor has caused this Security Agreement to be executed in its name by its duly authorized representatives as of the date first above written.

(Seal)

Orange County Fire Authority
By:
Name:
Title:

Attest:
By:
Name: Maria Huizar
Title: Clerk

EXHIBIT A

Property Description

The Property is as follows:

(A) Helicopter 1

Airframe Make/Model: Sikorsky S-70M, Type 1, FIREHAWK
Year: 2022
Airframe Serial No.: 704119
U.S. Identification No.: N411FA (formerly, N619PL)
Engine(s) (2): GE Model T700 GE 701, Serial Numbers:
GE-E355686
GE-E355693
Main Rotor Assembly: Manufacturer: Sikorsky
Main Rotor Gear Box: Serial No.: A809-02268
Main Rotor Blades:
Four total:
1. Serial No.: A852-08379
2. Serial No.: A852-08382
3. Serial No.: A852-08380
4. Serial No.: A852-08377
Tail Rotor Assembly: Manufacturer: Sikorsky
Tail Rotor Gear Box: Serial No.: A006-06379
Tail Rotor Blade(s):
Two total:
1. Serial No.: A009-15106
2. Serial No.: A009-15107

(B) Helicopter 2

Airframe Make/Model: Sikorsky S-70M, Type 1, FIREHAWK
Year: 2022
Airframe Serial No.: 704121
U.S. Identification No.: N412FA (formerly, N621PL)
Engine(s) (2): GE Model T700 GE 701D, Serial Numbers:
GE-E355690
GE-E355702
Main Rotor Assembly: Manufacturer: Sikorsky
Main Rotor Gear Box: Serial No.: A505-03454
Main Rotor Blades:
Four total:
1. Serial No.: A852-08378
2. Serial No.: A852-08383
3. Serial No.: A852-08385
4. Serial No.: A852-08381
Tail Rotor Assembly: Manufacturer: Sikorsky
Tail Rotor Gear Box: Serial No.: A006-06509
Tail Rotor Blade(s):
Two total:
1. Serial No.: A009-14218
2. Serial No.: A009-14206

Together with all engines, rotors, propellers, avionics, communication equipment, navigation equipment, instruments, accessories, attachments, parts, appurtenances, accessions, furnishings and other equipment attached to, installed in or relating to any of the foregoing property and all maintenance and service logs and records relating to the foregoing property.

The Airframe is of a type certified by the FAA to transport at least five (5) persons including crew; or goods in excess of 450 kilograms. The Engine has at least 550 rated takeoff shaft horsepower or the equivalent of such horsepower.

PROPERTY LOCATION:

Fullerton Municipal Airport
4011 West Commonwealth Avenue
Fullerton, CA 92833

Payment Obligation: \$57,882,120.04

EXHIBIT D
ESCROW AND ACCOUNT CONTROL AGREEMENT

[Attached]

Escrow and Account Control Agreement

This Escrow and Account Control Agreement (this "Agreement"), dated as of November 3, 2022, by and among Banc of America Public Capital Corp, a Kansas corporation (together with its successors and assigns, hereinafter referred to as "Lessor"), Orange County Fire Authority, a joint powers authority duly established and existing under the laws of the State of California (hereinafter referred to as "Lessee") and Wilmington Trust, National Association, a national banking association organized under the laws of the United States of America (hereinafter referred to as "Escrow Agent").

Reference is made to that certain Equipment Schedule No. 1 dated as of November 3, 2022, to Master Equipment Lease/Purchase Agreement dated as of November 3, 2022 between Lessor and Lessee (hereinafter referred to as the "Lease"), covering the acquisition and lease of certain Equipment described therein (the "Equipment"). It is a requirement of the Lease that a portion of the Acquisition Amount in the amount of \$12,299,456.06 be deposited into a segregated escrow account under terms satisfactory to Lessor, for the purpose of fully funding the Lease, and providing a mechanism for the application of such amounts to the purchase of and payment for the Equipment, certain training costs and costs of issuance for the Lease.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Creation of Escrow Account.

(a) There is hereby created an escrow fund to be known as the "2022 OFCA Sikorsky Firehawk Escrow Account" (the "Escrow Account") to be held by the Escrow Agent for the purposes stated herein, for the benefit of Lessor and Lessee, to be held, disbursed and returned in accordance with the terms hereof.

(b) Lessee may, from time to time, provide written instructions for Escrow Agent to use any available cash in the Escrow Account to purchase any money market fund or liquid deposit investment vehicle that Escrow Agent from time to time makes available to the parties hereto. Such written instructions shall be provided via delivery to Escrow Agent of a signed and completed Escrow Account Investment Selection Form (such form available from Escrow Agent upon request). All funds invested by Escrow Agent at the direction of Lessee in such short-term investments (as more particularly described in Escrow Agent's Escrow Account Investment Selection Form) shall be deemed to be part of the Escrow Account and subject to all the terms and conditions of this Agreement. The Escrow Agent is hereby authorized and directed to sell or redeem any such investments as it deems necessary to make any payments or distributions required under this Agreement. The Lessee acknowledges that neither the Escrow Agent nor the Lessor is providing investment supervision, recommendations, or advice. If any cash is received for the Escrow Account after the cut-off time for the designated short-term investment vehicle, the Escrow Agent shall hold such cash uninvested until the next business day. In the absence of written instructions from Lessee (on Escrow Agent's Escrow Account Investment Selection Form) designating a short-term investment of cash in the Escrow Account, cash in the Escrow Account shall remain uninvested and it shall not be collateralized. Escrow

Agent shall have no obligation to pay interest on cash in respect of any period during which it remains uninvested. Lessee shall be solely responsible for ascertaining that all proposed investments and reinvestments are Qualified Investments and that they comply with federal, state and local laws, regulations and ordinances governing investment of such funds and for providing appropriate notice to the Escrow Agent for the reinvestment of any maturing investment. Accordingly, neither the Escrow Agent nor Lessor shall be responsible for any liability, cost, expense, loss or claim of any kind, directly or indirectly arising out of or related to the investment or reinvestment of all or any portion of the moneys on deposit in the Escrow Account, and Lessee agrees to and does hereby release the Escrow Agent and Lessor from any such liability, cost, expenses, loss or claim. Interest on the Escrow Account shall become part of the Escrow Account, and gains and losses on the investment of the moneys on deposit in the Escrow Account shall be borne by the Lessee. The Escrow Agent shall have no discretion whatsoever with respect to the management, disposition or investment of the Escrow Account. The Escrow Agent shall not be responsible for any market decline in the value of the Escrow Account and has no obligation to notify Lessor and Lessee of any such decline or take any action with respect to the Escrow Account, except upon specific written instructions stated herein. For purposes of this Agreement, "Qualified Investments" means any investments which meet the requirements of Cal. Gov't Code § 53601 and the Lessee's investment policy.

(c) Unless the Escrow Account is earlier terminated in accordance with the provisions of paragraph (d) below, amounts in the Escrow Account shall be disbursed by the Escrow Agent in payment of amounts described in Section 2 hereof upon receipt of written instruction(s) from Lessor, as is more fully described in Section 2 hereof. If the amounts in the Escrow Account are insufficient to pay such amounts, Lessee shall provide any balance of the funds needed to complete the acquisition of the Equipment. Any moneys remaining in the Escrow Account on or after the earlier of (i) the expiration of the Acquisition Period or (ii) the date on which Lessee executes an Acceptance Certificate, shall be applied as provided in Section 4 hereof.

(d) The Escrow Account shall be terminated at the earliest of (i) the final distribution of amounts in the Escrow Account, (ii) the date on which Lessee executes a Final Acceptance Certificate or (iii) written notice given by Lessor of the occurrence of an Event of Default under the Lease or termination of the Lease due to an Event of Non-appropriation. Notwithstanding the foregoing, this Agreement shall not terminate nor shall the Escrow Account be closed until all funds deposited hereunder have been disbursed.

(e) The Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine and may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument. The Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner of execution, or validity of any instrument nor as to the identity, authority, or right of any person executing the same; and its duties hereunder shall be limited to the receipt of such moneys, instruments or other documents received by it as the Escrow Agent, and for the disposition of the same in accordance herewith. Notwithstanding and without limiting the generality of the foregoing, concurrent with the execution of this Agreement, Lessee and Lessor, respectively, shall deliver to the Escrow Agent an authorized signers form in the form of Exhibit A-1 (Lessee) and Exhibit A-2 (Lessor) attached hereto. Notwithstanding the foregoing sentence, the Escrow

Agent is authorized to comply with and rely upon any notices, instructions or other communications believed by it to have been sent or given by the parties or by a person or persons authorized by the parties. The Escrow Agent specifically allows for receiving direction by written or electronic transmission from an authorized representative with the following caveat, to the extent permitted by law, Lessee and Lessor agree to indemnify and hold harmless the Escrow Agent against any and all claims, losses, damages, liabilities, judgments, costs and expenses (including reasonable attorneys' fees) (collectively, "Losses") incurred or sustained by the Escrow Agent as a result of or in connection with the Escrow Agent's reliance upon and compliance with instructions or directions given by written or electronic transmission given by each, respectively, provided, however, that such Losses have not arisen from the gross negligence or willful misconduct of the Escrow Agent with regards to the execution of the instructions or directions in question, it being understood that forbearance on the part of the Escrow Agent to verify or confirm that the person giving the instructions or directions, is, in fact, an authorized person shall not be deemed to constitute gross negligence or willful misconduct.

In the event conflicting instructions as to the disposition of all or any portion of the Escrow Account are at any time given by Lessor and Lessee, the Escrow Agent shall abide by the instructions or entitlement orders given by Lessor without consent of the Lessee.

(f) Unless the Escrow Agent is guilty of gross negligence or willful misconduct with regard to its duties hereunder, Lessee agrees to and does hereby release and indemnify the Escrow Agent and its directors, officers, employees and agents and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expense, fees or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Escrow Agent under this Agreement; and in connection therewith, does to the extent permitted by law indemnify the Escrow Agent against any and all expenses; including reasonable attorneys' fees and the cost of defending any action, suit or proceeding or resisting any claim.

(g) If Lessee and Lessor shall be in disagreement about the interpretation of the Lease, or about the rights and obligations, or the propriety of any action contemplated by the Escrow Agent hereunder, the Escrow Agent may, but shall not be required to, file an appropriate civil action including an interpleader action to resolve the disagreement. The Escrow Agent shall be reimbursed by Lessee for all costs, including reasonable attorneys' fees, in connection with such civil action, and shall be fully protected in suspending all or part of its activities under this Agreement until a final judgment in such action is received.

(h) The Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection with the opinion of such counsel. The Escrow Agent shall otherwise not be liable for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind unless caused by its willful misconduct. The Escrow Agent may act through attorneys or agents and shall not be responsible for the acts or omissions of any such attorney or agent appointed with due care.

(i) The compensation fee for Escrow Agent's services under this Agreement is \$0.00. Lessee shall reimburse the Escrow Agent for all reasonable costs and expenses, including those of the Escrow Agent's attorneys, agents and employees incurred for non-routine

administration of the Escrow Account, execution of the directions provided by the Lessee and Lessor and the performance of the Escrow Agent's powers and duties hereunder in connection with any Event of Default under the Lease, any termination of the Lease due to an Event of Non-appropriation or in connection with any dispute between Lessor and Lessee concerning the Escrow Account.

The terms of this paragraph shall survive termination of this Agreement and/or the earlier resignation or removal of the Escrow Agent.

(j) The Escrow Agent or any successor may at any time resign by giving mailed notice to Lessee and Lessor of its intention to resign and of the proposed date of resignation (the "Effective Date"), which shall be a date not less than 60 days after such notice is delivered to an express carrier, charges prepaid, unless an earlier resignation date and the appointment of a successor shall have been approved by the Lessee and Lessor. After the Effective Date, the Escrow Agent shall be under no further obligation except to hold the Escrow Account in accordance with the terms of this Agreement, pending receipt of written instructions from Lessor regarding further disposition of the Escrow Account.

(k) The Escrow Agent shall have no responsibilities, obligations or duties other than those expressly set forth in this Agreement and no implied duties responsibilities or obligations shall be read into this Agreement. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or document other than this Agreement, whether or not an original or a copy of such agreement has been provided to the Escrow Agent.

(l) The permissive rights of the Escrow Agent to do things enumerated in this Agreement shall not be construed as a duty and, with respect to such permissive rights, the Escrow Agent shall not be answerable for other than its gross negligence or willful misconduct.

(m) Nothing in this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder.

(n) In no event shall the Escrow Agent be responsible or liable for special, indirect, punitive, incidental or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

(o) In the event that any of the funds in the Escrow Account shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the funds in the Escrow Account, the Escrow Agent is hereby expressly authorized to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. To the extent permitted by law, the Escrow Agent shall inform the Lessor and Lessee in writing about any such attachment, garnishment, levy, court order, judgment or decree within ten (10) business days of its receipt of any such attachment,

garnishment, levy, court order, judgment or decree. In the event that the Escrow Agent obeys or complies with any such writ, order or decree, it shall not be liable to any of the other parties to this Agreement or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

2. Acquisition of Property.

(a) Acquisition Contracts. Lessee will arrange for, supervise and provide for, or cause to be supervised and provided for, the acquisition of the Equipment, with moneys available in the Escrow Account. Lessee represents the estimated costs of the Equipment are within the funds estimated to be available therefor, and Lessor makes no warranty or representation with respect thereto. Lessor shall have no liability under any of the acquisition construction contracts. Lessee shall obtain all necessary permits and approvals, if any, for the acquisition, equipping and installation of the Equipment, and the operation and maintenance thereof. Escrow Agent shall have no duty to inquire as to the performance or nonperformance of any provision of any other agreement, instrument, or document other than this Agreement or monitor or enforce Lessee's compliance with the foregoing covenant.

(b) Authorized Escrow Account Disbursements. It is agreed as between Lessee and Lessor that disbursements from the Escrow Account shall be made for the purpose of paying (including the reimbursement to Lessee for advances from its own funds to accomplish the purposes hereinafter described) the cost of acquiring the Equipment, including the costs of required training to operate the Equipment, including cost of issuance of the Lease.

(c) Requisition Procedure. No disbursement from the Escrow Account shall be made unless and until Lessor has approved such requisition, which approval shall not be unreasonably withheld by Lessor. Prior to disbursement from the Escrow Account there shall be filed with the Escrow Agent a requisition for such payment in the form of Disbursement Request attached hereto as Schedule 1, stating each amount to be paid and the name of the person, firm or corporation to whom payment thereof is due. All disbursements shall be made by wire transfer. The Escrow Agent is authorized to obtain and rely on confirmation of such Disbursement Request and payment instructions by telephone call-back to the person or persons designated for verifying such requests on Exhibit A-2 (such person verifying the request shall be different than the person initiating the request). The Lessor and Lessee hereby confirm that any call-back performed by Escrow Agent to verify a disbursement instruction pursuant to a Disbursement Request submitted pursuant to this Section 2(c) before release, shall be made to Lessor only and Escrow Agent shall have no obligation to call-back Lessee.

Each such Disbursement Request shall be signed by an authorized representative of Lessee (an "Authorized Representative") and by Lessor, and shall be subject to the following conditions, which Escrow Agent shall conclusively presume have been satisfied at such time as a requisition executed by Lessee and Lessor is delivered to it:

1. Delivery to Lessor of an executed Disbursement Request in the form attached hereto as Schedule 1; and

2. Delivery to Lessor of copies of invoices (and proofs of payment of such invoices, if Lessee seeks reimbursement) and bills of sale (if title to such Equipment has passed to Lessee) therefor as required by Section 3.04 of the Lease and any additional documentation reasonably requested by Lessor.

Lessee and Lessor agree that their execution of the form attached hereto as Schedule 1 and delivery of the executed form to Escrow Agent confirms that all of the requirements and conditions with respect to disbursements set forth in this Section 2 have been satisfied.

3. Deposit to Escrow Account. Upon satisfaction of the conditions specified in Section 3.04 of the Lease, Lessor will cause the Acquisition Amount to be deposited in the Escrow Account. Lessee agrees to pay any costs with respect to the Equipment in excess of amounts available therefor in the Escrow Account. The Escrow Agent shall not be liable for any amount in excess of the Acquisition Amount.

4. Excessive Escrow Account. Upon receipt of written instructions from Lessor including a representation that one of the following conditions has been satisfied (upon which representation Escrow Agent shall conclusively rely), any funds remaining in the Escrow Account on or after the earlier of (a) the expiration of the Acquisition Period or (b) the date on which Lessee executes an Acceptance Certificate, or upon a termination of the Escrow Account as otherwise provided herein, shall be distributed by the Escrow Agent to the Lessor in order for the Lessor to apply such funds to amounts owed by Lessee under the Lease in accordance with Section 4.07 of the Lease.

5. Security Interest. The Escrow Agent and Lessee acknowledge and agree that the Escrow Account and all proceeds thereof are being held by Escrow Agent for disbursement or return as set forth herein. Lessee hereby grants to Lessor a first priority perfected security interest in the Escrow Account, and all proceeds thereof, and all investments made with any amounts in the Escrow Account. If the Escrow Account, or any part thereof, is converted to investments as set forth in this Agreement, such investments shall be made in the name of Escrow Agent and the Escrow Agent hereby agrees to hold such investments as bailee for Lessor so that Lessor is deemed to have possession of such investments for the purpose of perfecting its security interest.

6. Control of Escrow Account. In order to perfect Lessor's security interest by means of control in (i) the Escrow Account established hereunder, (ii) all securities entitlements, investment property and other financial assets now or hereafter credited to the Escrow Account, (iii) all of Lessee's rights in respect of the Escrow Account, such securities entitlements, investment property and other financial assets, and (iv) all products, proceeds and revenues of and from any of the foregoing personal property (collectively, the "Collateral"), Lessor, Lessee and Escrow Agent further agree as follows:

- (a) All terms used in this Section 6 which are defined in the Commercial Code of the state of California ("Commercial Code") but are not otherwise defined herein shall have the meanings assigned to such terms in the Commercial Code, as in effect on the date of this Agreement.

(b) Escrow Agent will comply with all entitlement orders originated by Lessor with respect to the Collateral, or any portion of the Collateral, without further consent by Lessee.

(c) Provided that account investments shall be held in the name of the Escrow Agent, Escrow Agent hereby represents and warrants (a) that the records of Escrow Agent show that Lessee is the sole owner of the Collateral, (b) that Escrow Agent has not been served with any notice of levy or received any notice of any security interest in or other claim to the Collateral, or any portion of the Collateral, other than Lessor's claim pursuant to this Agreement, and (c) that Escrow Agent is not presently obligated to accept any entitlement order from any person with respect to the Collateral, except for entitlement orders that Escrow Agent is obligated to accept from Lessor under this Agreement and entitlement orders that Escrow Agent, subject to the provisions of paragraph (e) below, is obligated to accept from Lessee.

(d) Without the prior written consent of Lessor, Escrow Agent will not enter into any agreement by which Escrow Agent agrees to comply with any entitlement order of any person other than Lessor or, subject to the provisions of paragraph (e) below, Lessee, with respect to any portion or all of the Collateral. Escrow Agent shall promptly notify Lessor if any person requests Escrow Agent to enter into any such agreement or otherwise asserts or seeks to assert a lien, encumbrance or adverse claim against any portion or all of the Collateral.

(e) Except as otherwise provided in this paragraph (e) and subject to Section 1(b) hereof, Lessee may effect sales, trades, transfers and exchanges of Collateral within the Escrow Account, but will not, without the prior written consent of Lessor, withdraw any Collateral from the Escrow Account. Escrow Agent acknowledges that Lessor reserves the right, by delivery of written notice to Escrow Agent, to prohibit Lessee from effecting any withdrawals (including withdrawals of ordinary cash dividends and interest income), sales, trades, transfers or exchanges of any Collateral held in the Escrow Account. Further, Escrow Agent hereby agrees to comply with any and all written instructions delivered by Lessor to Escrow Agent (once it has had a reasonable opportunity to comply therewith) and has no obligation to, and will not, investigate the reason for any action taken by Lessor, the amount of any obligations of Lessee to Lessor, the validity of any of Lessor's claims against or agreements with Lessee, the existence of any defaults under such agreements, or any other matter.

(f) Lessee hereby irrevocably authorizes Escrow Agent to comply with all instructions and entitlement orders delivered by Lessor to Escrow Agent.

(g) Escrow Agent will not attempt to assert control, and does not claim and will not accept any security or other interest in, any part of the Collateral, and Escrow Agent will not exercise, enforce or attempt to enforce any right of setoff against the Collateral, or otherwise charge or deduct from the Collateral any amount whatsoever.

(h) Escrow Agent and Lessee hereby agree that any property held in the Escrow Account shall be treated as a financial asset under such section of the Commercial Code as corresponds with Section 8-102 of the Uniform Commercial Code, notwithstanding any contrary provision of any other agreement to which Escrow Agent may be a party.

(i) Escrow Agent is hereby authorized and instructed, and hereby agrees, to send to Lessor at its address set forth in Section 8 below, concurrently with the sending thereof to Lessee, duplicate copies of any and all monthly Escrow Account statements or reports issued or sent to Lessee with respect to the Escrow Account.

7. Information Required Under USA PATRIOT ACT. The parties acknowledge that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 1, 2003 (Section 326 of the USA PATRIOT Act) all financial institutions are required to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. The parties to this Agreement agree that they will provide to the Escrow Agent such information as it may request, from time to time, in order for the Escrow Agent to satisfy the requirements of the USA PATRIOT Act, including but not limited to the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

8. Miscellaneous. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Lease. This Agreement may not be amended except in writing signed by all parties hereto. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original instrument and each shall have the force and effect of an original and all of which together constitute, and shall be deemed to constitute, one and the same instrument. Notices hereunder shall be made in writing and shall be deemed to have been duly given when personally delivered or when deposited in the mail, first class postage prepaid, or delivered to an express carrier, charges prepaid, or sent by facsimile with electronic confirmation, addressed to each party at its address below.

Notices and other communications hereunder may be delivered or furnished by electronic mail provided that any formal notice be attached to an email message in PDF format and provided further that any notice or other communication sent to an e-mail address shall be deemed received upon and only upon the sender's receipt of affirmative acknowledgement or receipt from the intended recipient. For purposes hereof no acknowledgement of receipt generated on an automated basis shall be deemed sufficient for any purpose hereunder or admissible as evidence of receipt.

If a court of competent jurisdiction declares any provision hereof invalid, it will be ineffective only to the extent of such invalidity, so that the remainder of the provision and Agreement will continue in full force and effect.

This Agreement and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

If to Lessor: Banc of America Public Capital Corp
11333 McCormick Road
Mail Code: MD5-031-06-05
Hunt Valley, MD 21031
Attn: Contract Administration
Fax: (804) 533-8124

If to Lessee: Orange County Fire Authority
One Fire Authority Road
Irvine, CA 92602
Attn: Tricia Jakubiak, Treasurer
Fax: (714) 368-8834

If to Escrow Agent
Wilmington Trust, National Association
650 Town Center Drive, Suite 800
Costa Mesa, CA 92626
Attention: Chris Johnson, Vice President
Telephone: (714) 384-4152
Fax: (714) 384-4151
Email: cshjohnson@wilmingtontrust.com

9. Lessee and Lessor understand and agree that they are required to provide the Escrow Agent with a properly completed and signed Tax Certification (as defined below) and that the Escrow Agent may not perform its duties hereunder without having been provided with such Tax Certification. As used herein "Tax Certification" shall mean an IRS form W-9 or W-8 as described above. The Escrow Agent will comply with any U.S. tax withholding or backup withholding and reporting requirements that are required by law. With respect to earnings allocable to a foreign person, the Escrow Agent will withhold U.S. tax as required by law and report such earnings and taxes withheld, if any, for the benefit of such foreign person on IRS Form 1042-S (or any other required form), unless such earnings and withheld taxes are exempt from reporting under Treasury Regulation Section 1.1461-1(c)(2)(ii) or under other applicable law. With respect to earnings allocable to a United States person, the Escrow Agent will report such income, if required, on IRS Form 1099 or any other form required by law. The IRS Forms 1099 and/or 1042-S shall show the Escrow Agent as payor and **Orange County Fire Authority** as payee. Escrow Agent shall recognize Orange County Fire Authority as the designated party for regulatory reporting purposes.

Lessee and Lessor agree that they are not relieved of their respective obligations, if any, to prepare and file information reports under Code Section 6041, and the Treasury regulations thereunder, with respect to amounts of imputed interest income, as determined pursuant to Code Sections 483 or 1272. The Escrow Agent shall not be responsible for determining or reporting such imputed interest.

10. This Agreement shall be governed by and construed in accordance with the laws of the State of California and the parties hereto consent to jurisdiction in the State of California

and venue in any applicable state or Federal court located in the State of California that has jurisdiction over the Lessee. EACH OF THE PARTIES HERETO HEREBY WAIVES THE RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT.

11. Any bank or corporation into which the Escrow Agent may be merged or with which it may be consolidated, or any bank or corporation to whom the Escrow Agent may transfer a substantial amount of its escrow business, shall be the successor to the Escrow Agent without the execution or filing of any paper or any further act on the part of any of the parties, anything herein to the contrary notwithstanding. Any bank or corporation into which the Lessor may be merged or with which it may be consolidated, or any bank or corporation to whom the Lessor may transfer a substantial amount of its business, shall be the successor to the Lessor without the execution or filing of any paper or any further act on the part of any of the parties, anything herein to the contrary notwithstanding.

12. This Agreement may be amended, modified, and/or supplemented only by an instrument in writing executed by all parties hereto.

13. No party hereto shall assign its rights hereunder until its assignee has submitted to the Escrow Agent (i) Patriot Act disclosure materials and the Escrow Agent has determined that on the basis of such materials it may accept such assignee as a customer and (ii) assignee has delivered an IRS Form W-8 or W-9, as appropriate, to the Escrow Agent which the Escrow Agent has determined to have been properly signed and completed.

14. Escrow Agent will treat information related to this Agreement as confidential but, unless prohibited by law, Lessee and Lessor authorize the transfer or disclosure of any information relating to the Agreement to and between the subsidiaries, officers, affiliates and other representatives and advisors of Escrow Agent and third parties selected by any of them, wherever situated, for confidential use in the ordinary course of business, and further acknowledge that Escrow Agent and any such subsidiary, officer, affiliate or third party may transfer or disclose any such information as required by any law, court, regulator or legal process.

Lessor will treat information related to this Agreement as confidential but, unless prohibited by law, Escrow Agent and Lessee authorize the transfer or disclosure of any information relating to the Agreement to and between the subsidiaries, officers, affiliates, other representatives and advisors of Lessor and debt and equity sources and third parties selected by any of them, and to their prospective assignees wherever situated, for confidential use in the ordinary course of business, and further acknowledge that Lessor and any such subsidiary, officer, affiliate, debt and equity source or third party or prospective assignee may transfer or disclose any such information as required by any law, court, regulator or legal process.

In Witness Whereof, the parties have executed this Escrow and Account Control Agreement as of the date first above written.

Banc of America Public Capital Corp
as Lessor

Orange County Fire Authority
as Lessee

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Wilmington Trust, National Association
As Escrow Agent

[SEAL]

By: _____

Name: _____

Title: _____

SCHEDULE 1
to the Escrow and Account Control Agreement

FORM OF DISBURSEMENT REQUEST

Re: Equipment Schedule No. 1 dated as of November 3, 2022, to Master Equipment Lease/Purchase Agreement dated as of November 3, 2022, by and between Banc of America Public Capital Corp, as Lessor, and Orange County Fire Authority, as Lessee (the "Lease") (Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Lease.)

In accordance with the terms of the Escrow and Account Control Agreement, dated as of November 3, 2022 (the "Escrow and Account Control Agreement") by and among Banc of America Public Capital Corp ("Lessor"), Orange County Fire Authority ("Lessee") and Wilmington Trust, National Association, (the "Escrow Agent"), the undersigned hereby requests the Escrow Agent pay the following persons the following amounts from the Escrow Account created under the Escrow and Account Control Agreement for the following purposes:

Disbursement Amounts:

Payee's Name and Address	Invoice Number	Dollar Amount	Purpose
<Payee's Name> <Payee Address 1> <Payee Address 2> <Payee Address 3> <Payee Bank Name*> <Payee Bank ABA/Routing*> <Payee Bank Account No*> <Payee Account Name*> <*Payee Address and Payee Bank information is required.>	<invoice list OR "see attached" with a spreadsheet>	< invoice amount>	<general description of equipment; ex "police cruiser"> <note if related to training><note if related to cost of issuance>
<Payee's Name> <Payee Address 1> <Payee Address 2> <Payee Address 3> <Payee Bank Name*> <Payee Bank ABA/Routing*> <Payee Bank Account No*> <Payee Account Name*> <*Payee Address and Payee Bank information is required.>	<invoice list OR "see attached" with a spreadsheet>	<invoice amount>	<general description of equipment; ex "police cruiser"> <note if related to training><note if related to cost of issuance>

Lessee hereby represents, covenants and warrants for the benefit of Lessor on the date hereof as follows:

(i) (a) Each obligation specified in the table herein titled as "Disbursement Amounts" has been incurred by Lessee in the stated amount, (b) the same is a proper charge against the Escrow Account for costs relating to the Equipment identified in the Lease, and (c) has not been paid (or has been paid by Lessee and Lessee requests reimbursement thereof).

(ii) Each item of Equipment relating to an obligation specified in the table herein titled as "Disbursement Amounts" has been delivered, installed and accepted by Lessee. Attached hereto is a copy of the invoice with respect to such obligation. Each item related to financed training specified in the table herein titled as "Disbursement Amounts" has been conducted and provided to Lessee and not previously been invoiced for payment. Each item related to cost of issuance specified in the table herein titled as "Disbursement Amounts" has not previously been invoiced for payment.

(iii) The undersigned, as Authorized Representative, has no notice of any vendor's, mechanic's or other liens or rights to liens, chattel mortgages, conditional sales contracts or security interest which should be satisfied or discharged before such payment is made.

(iv) This requisition contains no item representing payment on account, or any retained percentages which Lessee is, at the date hereof, entitled to retain (except to the extent such amounts represent a reimbursement to Lessee).

(v) The Equipment is insured in accordance with the Lease.

(vi) No Event of Default, and no event which with notice or lapse of time, or both, would become an Event of Default, under the Lease has occurred and is continuing at the date hereof. No Event of Non-appropriation has occurred or is threatened with respect to the Lease.

(vii) The disbursement shall occur during the Acquisition Period.

(viii) The representations, warranties and covenants of Lessee set forth in the Lease are true and correct as of the date hereof.

(ix) No Material Adverse Change has occurred since the date of the execution and delivery of the Lease.

(x) The information in this Disbursement Request regarding each Payee, including their respective name, address and wiring instructions, (collectively, the "Payee Information") is true and correct, such Payee Information has been verified and confirmed by Lessee and the Lessor can rely on Lessee's verification and confirmation of the accuracy of such Payee Information. Lessee hereby acknowledges and agrees that any call-back performed by Lessor to verify the disbursement instructions pursuant to this Disbursement Request shall be made to Lessee only and Lessor shall have no obligation to call-back any Payee listed above.

Dated: _____

ORANGE COUNTY FIRE AUTHORITY

By: _____

Name: _____

Title: _____

Disbursement of funds from the Escrow
Account in accordance with the foregoing
Disbursement Request hereby is authorized

BANC OF AMERICA PUBLIC CAPITAL CORP
as Lessor under the Lease

By: _____

Name:

Title:

EXHIBIT A-1

FORM OF INCUMBENCY AND AUTHORIZATION CERTIFICATE

The undersigned, a duly elected or appointed and acting Clerk of Orange County Fire Authority ("*Lessee*") certifies as follows:

A. The following listed persons are duly elected or appointed and acting officials of Lessee (the "*Officials*") in the capacity set forth opposite their respective names below and the facsimile signatures below are true and correct as of the date hereof;

B. The Officials are duly authorized, on behalf of Lessee, to negotiate, execute and deliver the Master Equipment Lease/Purchase Agreement dated as of November 3, 2022 (the "*Agreement*") and a separate Equipment Schedule No. 1 and Addendum thereto Relating to Aircraft, relating thereto from time to time as provided in the Agreement (collectively, the "*Equipment Schedules*"), dated November 3, 2022, each by and between Lessee and Banc of America Public Capital Corp ("Lessor"), the Escrow and Account Control Agreement dated as of November 3, 2022 by and among Lessor, Lessee and Wilmington Trust, National Association, as Escrow Agent, all documents related thereto and delivered in connection therewith, and any future modification(s) or amendments thereof (collectively, the "*Operative Agreements*"), and the Operative Agreements each are the binding and authorized agreements of Lessee, enforceable in all respects in accordance with their respective terms.

Name of Official	Title	Signature
Tricia Jakubiak	Treasurer	_____
Robert Cortez	Assistant Chief of Business Services	_____
_____	_____	_____

Dated: November 3, 2022

By: _____

Name: Maria Huizar

Title: Clerk

(The signer of this Certificate cannot be listed above as authorized to execute the Agreements.)

[AN "EXHIBIT A-2" MUST BE COMPLETED AND EXECUTED AT TIME OF EXECUTION OF THE AGREEMENT]

EXHIBIT A-2

**Escrow and Account Control Agreement dated as of November 3, 2022, by and among
Banc of America Public Capital Corp, as Lessor, Orange County Fire Authority, as Lessee
and Wilmington Trust, National Association, as Escrow Agent**

RESERVED – TO BE PROVIDED

Indemnification Agreement
In Connection With The Funding Of The Purchase
Of Firehawk Helicopters By The Orange County Fire Authority

THIS AGREEMENT ("Agreement") is made this ___ day of October, 2022, by and between the Orange County Fire Authority, a California Joint Powers Authority established pursuant to the Joint Exercise of Powers Act, California Government Code sections 6500, et seq. ("OCFA") and the City of Yorba Linda, a California municipal corporation, ("City"). OCFA and City are sometimes hereinafter individually referred to as "Party" and collectively referred to as the "Parties".

RECITALS

- A. On September 22, 2022, the OCFA Board of Directors directed OCFA staff to pursue lease-purchase financing for the acquisition of two (2) Firehawk (Sikorsky S70 Type 1) helicopters ("Helicopters") in the amount of \$55,871,980.32, and directed OCFA staff to work with the City of Yorba Linda to coordinate a public hearing pursuant to the Joint Exercise of Powers Act section 6586.5(a)(2); and
- B. OCFA will be the entity financing the Helicopters and will be liable for the payments pursuant to the lease-purchase financing agreements; and
- C. The City will not be a party to the financing nor will the City be liable for the payments pursuant to the lease-purchase financing agreements; and
- D. Nevertheless, Government Code section 6586.5(a)(2) requires that:

"A local agency that is not itself an authority, within whose boundaries the public capital improvement is to be located, has approved the financing of the public capital improvement and made a finding of significant public benefit in accordance with the criteria specified in Section 6586 after a public hearing held by that local agency within each county or city and county where the public capital improvement is to be located after notice of the hearing is published once at least five days prior to the hearing in a newspaper of general circulation in each affected county or city and county." [Emphasis added.]
- E. At OCFA's request, on October 4, 2022, the City conducted the noticed public hearing, approved the finding of significant public benefit, and "approved" the financing for purposes of Government Code section 6586.5(a)(2); and
- F. The City has requested to be defended and indemnified in connection with the approval, and the OCFA is willing to provide the requested defense and indemnification.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

- 1. Effective Date: This Agreement is effective on the date it is executed by the second Party.

2. Defense and Indemnification: OCFA agrees to defend and indemnify City and its elected and appointed officials and employees from any and all claims, demands, lawsuits, writs, and other court proceedings (collectively "Claims") arising from the City's approvals made pursuant to Section 6586.5(a)(2), including but not limited to any Claims that City is liable pursuant to the financing agreements entered into by OCFA for the acquisition of the Helicopters.

3. Notice of Claim. City shall give prompt written notice of any Claim(s) to OCFA. Any notice, demand, request, document, consent, approval, or communication either Party desires or is required to give to the other Party or any other person shall be in writing and shall be deemed to be given when delivered via email and certified mail, return receipt requested, as follows:

Via email to both of the following:

coa@ocfa.org [Clerk of the Authority]
and
dkendig@wss-law.com [OCFA General Counsel]

Via Certified Mail, Return Receipt Requested to:

Orange County Fire Authority
Attn: Clerk of the Authority
1 Fire Authority Rd.
Irvine, CA 92602
and
David Kendig, OCFA General Counsel
Woodruff, Spradlin & Smart, APC
555Anton Blvd. Suite 1200
Costa Mesa, CA 92626

4. California Law. This Agreement shall be interpreted, construed, and governed both as to validity and to performance of the Parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim, or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other appropriate court in such county.

5. Non-liability of Officers and Employees. No officer, official, employee, agent, representative, or volunteer of OCFA or of the City shall be personally liable in the event of any default or breach of this Agreement which may become due to City or OCFA or to their successors, or for breach of any obligation under the terms of this Agreement.

6. Integration; Amendment. This Agreement is the entire, complete, and exclusive expression of the understanding of the Parties. It is understood that there are no oral agreements between the Parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements, and understandings, if any, between the Parties, related to the subject matter of this Agreement, and none shall be used to interpret this

Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and signed by the OCFA and City.

7. No Third-Party Beneficiaries. With the exception of the specific provisions set forth in this Agreement, there are no intended third-party beneficiaries under this Agreement and no such other third parties shall have any rights or obligations hereunder.

8. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument. Executed counterparts may be transmitted by mail or electronically via email or facsimile.

9. Execution of Contract. The persons executing this Agreement on behalf of each of the Parties hereto represent and warrant that they are duly authorized to execute and deliver this Agreement on behalf of said Party, and by so executing this Agreement, such Party is formally bound to the provisions of this Agreement. This Agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the Parties.

IN WITNESS WHEREOF, the Parties have executed and entered into this Agreement as of the latter of the two dates written below:

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed and entered into this Agreement as of the latter of the two dates written below:

"OCFA"

ORANGE COUNTY FIRE AUTHORITY

DATED: _____

By: _____

Michelle Steggell
Chair, Board of Directors

ATTEST:

By: _____

Maria Huizar
Clerk of the Authority

APPROVED AS TO FORM:

By: _____

David E. Kendig
OCFA General Counsel

"CITY"

CITY OF YORBA LINDA

DATED: _____

By: _____

Carlos Rodriguez, Mayor

ATTEST:

By: Marcia Brown

Marcia Brown
City Clerk

APPROVED AS TO FORM:

By: Rutan & Tucker

Rutan & Tucker, LLP
City Attorney