

THE INFORMATION IN THIS BOX IS NOT A PART OF THE CONTRACT AND IS FOR COUNTY USE ONLY



Contract Number

24-757

SAP Number

Sheriff/Coroner/Public Administrator

Department Contract Representative	Kelly Welty, Chief Deputy Director of Sheriff's Administration
Telephone Number	(909) 387-3760
Contractor	Southern Cross Aircraft, LLC
Contractor Representative	Peter Hosmann, COO
Telephone Number	(954) 377-0303
Contract Term	Upon delivery to, and acceptance by San Bernardino County of a fixed-wing aircraft described below
Original Contract Amount	\$8,997,902.31
Amendment Amount	
Total Contract Amount	\$8,997,902.31
Cost Center	4430001000
Grant Number (if applicable)	

Briefly describe the general nature of the contract:

Approve Purchase Agreement with Southern Cross Aircraft, LLC, including non-standard terms, for the purchase of a used 2022 Beechcraft Corp. King Air 360 fixed-wing aircraft, serial number FL-1303, associated equipment, remaining manufacturer's warranty, and associated training in the amount of \$8,997,902, excluding sales tax.

FOR COUNTY USE ONLY

<p>Approved as to Legal Form</p> <p><i>Grace B. Parsons</i></p> <p>Grace B. Parsons, Deputy County Counsel</p> <p>Date <u>Aug 15, 2024</u></p>	<p>Reviewed for Contract Compliance</p> <p>▶</p> <p>Date _____</p>	<p>Reviewed/Approved by Department</p> <p><i>Kelly Welty</i></p> <p>▶ <small>Kelly Welty (Aug 15, 2024 08:57 PDT)</small></p> <p>Kelly Welty, Chief Deputy Director of Sheriff's Administration</p> <p>Date <u>Aug 15, 2024</u></p>
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AIRCRAFT PURCHASE AGREEMENT

This AIRCRAFT PURCHASE AGREEMENT (Agreement) is made and entered into as of August 20, 2024 (Effective Date), by and between Southern Cross Aircraft, LLC (Seller), and the County of San Bernardino, California, by and through its included Sheriff/Coroner/Public Administrator (Purchaser).

Background

Purchaser desires to purchase from Seller and Seller desires to sell to Purchaser the Aircraft in accordance with the terms of this Agreement.

Agreement

In consideration of the respective representations, warranties, covenants, obligations, and agreements below, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound hereby, agree as follows:

Article 1. Definitions

1.1 **Definitions.** Capitalized terms used in this Agreement and not otherwise defined shall have the meanings set forth on Schedule 1 to this Agreement.

Article 2. Purchase and Sale; Escrow

- 2.1 **Agreement.** On the Closing Date, for and in consideration of the Purchase Price, Seller shall sell and deliver the Aircraft to Purchaser, and Purchaser shall purchase and accept delivery of the Aircraft from Seller, on and subject to the terms and conditions set forth in this Agreement.
- 2.2 **Deposit.** Seller has received confirmation from Escrow Agent that Escrow Agent is holding the Deposit. The Deposit shall be refunded promptly by Escrow Agent to Purchaser if: (i) Purchaser permissibly rejects the Aircraft pursuant to Article 4.3 below, (ii) either party terminates the Agreement in accordance with Article 9.1, (iii) Purchaser terminates the Agreement in accordance with Article 9.2, or (iv) either party terminates this Agreement in accordance with Article 9.4 below. In all other circumstances, the Deposit shall not be refundable.
- 2.3 **Escrow.** Purchaser and Seller appoint Escrow Agent as document holder and stakeholder for the sale and purchase of the Aircraft, and Escrow Agent accepts such appointment for, and in consideration of, the Escrow Fees. Escrow Agent is acting as a document holder and stakeholder only at the parties' request, and its duties are purely ministerial. The Escrow Agent is not, and may not be deemed, an agent or trustee for either of the parties, and Escrow Agent is not liable to either of the parties for any act or omission by Escrow Agent, unless it involves a violation of law, willful misconduct, or negligence on its part. Escrow Agent confirms that the Deposit is being held by Escrow Agent as contemplated by this Agreement. Purchaser and Seller shall each pay one-half (1/2) of the Escrow Fees in the total amount of US\$10,400.00, or US\$5,200.00 per party.

Article 3. Delivery Requirements

- 3.1 **Delivery Condition.** Seller shall deliver the Aircraft to Purchaser on an "as is, where is" basis at the time of Closing. Notwithstanding the foregoing, it is a condition to Purchaser's obligation to consummate the purchase of the Aircraft, that the Aircraft is in the Delivery Condition on the Closing Date.

- 3.2 **Title to the Aircraft.** At the time of Closing, Seller shall convey to Purchaser good and marketable title to the Aircraft, free and clear of all Liens.
- 3.3 **Manufacturer Warranties.** To the extent that any Manufacturer Warranties are still in effect and are assignable or transferrable, Seller shall cause all rights under such Manufacturer Warranties to be assigned and transferred to Purchaser, at Purchaser's expense, effective at the time of the Closing. Seller shall also assist Purchaser in maintaining the continuity of any such Manufacturer Warranties and shall execute whatever documents or agreements may be necessary or convenient to vest all rights under such Manufacturer Warranties in Purchaser and to permit Purchaser to assert or process claims thereunder. Notwithstanding the foregoing, Seller reserves the right to assert claims under any such Manufacturer Warranties to the extent that the same relates to facts and circumstances arising prior to the Closing Date to the extent that Seller shall have incurred financial responsibility for such claims.

Article 4. Inspection: Correction of Discrepancies

- 4.1 **Inspection.** Following the Effective Date and at mutually agreeable time, Seller shall make the Aircraft and Aircraft Documents available at the Inspection Facility for the Inspection. Seller shall be responsible for the costs of ferrying the Aircraft to the Inspection Facility. The purpose of the Inspection is for the Inspection Facility to confirm that the Aircraft is in an airworthy condition and in compliance with Delivery Condition. Purchaser shall be responsible for and prepay the cost of the Inspection and the Inspection Report.
- 4.2 **Flight Test.** Purchaser may also conduct the Flight Test, during which the Purchaser may have no more than two (2) representatives aboard the Aircraft. Seller shall have and retain "operational control" of the Aircraft at all times during such Flight Test. The pilot-in-command shall have final and complete authority to postpone or cancel any Flight Test for any reason or condition which, in his or her judgment, will compromise the safety of the flight. Purchaser shall be responsible for the costs of the Flight Test.
- 4.3 **Technical Acceptance and/or Rejection.** Within three (3) Business Days after completion of the Inspection and issuance of the Inspection Report, Purchaser shall provide to Seller the CTAR. Purchaser may reject the Aircraft only if the Inspection Facility determines that the Aircraft is unable to satisfy the Delivery Condition. If the Aircraft is technically accepted by Purchaser, Seller shall remedy, at its sole expense prior to Closing, all Discrepancies. In the event Purchaser fails to deliver the CTAR within the time frame set forth above, Purchaser shall be deemed to have accepted the Aircraft, subject to the repair of any Discrepancies. If Purchaser permissibly rejects the Aircraft following the Inspection, then this Agreement shall terminate, in which case the Escrow Agent shall return the Deposit to the Purchaser (less the Purchaser's and Seller's share of the Escrow Fees and, if applicable, the Flight Costs), and this Agreement shall have no further force or effect. However, in the event Purchaser rejects the Aircraft for a reason other than being unable to satisfy the Delivery Conditions at Delivery, such rejection shall be deemed a default by Purchaser pursuant to Article 9.3 below.
- 4.4 **Correction of Discrepancies.** As soon as reasonably practicable after Seller's receipt of the CTAR, Seller shall cause the Inspection Facility to correct all Discrepancies, at Seller's expense. The Inspection Facility shall evidence correction of all such Discrepancies by the Aircraft's Return to Service and appropriate logbook entries.

Article 5. Closing

- 5.1 **Purchaser's Pre-Closing Obligations.** On or prior to the Closing Date, Purchaser shall:
(i) deliver to the Escrow Agent (a) the Final Payment, (b) a signed and undated Delivery Receipt,

and (c) a copy of the Purchaser Registration Documents, and (ii) shall deliver to the Escrow Agent the Purchaser Registration Documents.

- 5.2 **Seller's Pre-Closing Obligations.** On or before the Closing Date, Seller shall: (i) complete the Delivery Flight, at Seller's cost; (ii) delivery to Escrow Agent an undated but otherwise fully executed AC Form 8050-2 FAA Bill of Sale with the Escrow Agent; (iii) deliver to Escrow Agent an undated, but otherwise fully executed Warranty Bill of Sale conveying title from Seller to Purchaser, and (iv) deliver to Seller Filing Agent the Seller Registration Documents.
- 5.3 **Conditions Precedent to Seller's Obligations.** Seller's obligation to sell and deliver the Aircraft to Purchaser on the Closing Date is subject to the following conditions precedent:
- (i) Purchaser shall not be in breach or default of this Agreement;
 - (ii) The Escrow Agent shall confirm receipt of the Final Payment;
 - (iii) All of Purchaser's representations in Article 6.2 below shall be true and accurate as of the time of Closing;
 - (iv) The Purchaser shall have paid any cost owed to the Inspection Facility for Purchaser's account;
 - (v) Purchaser shall have complied with its obligations in Article 5.1 above; and
 - (vi) Purchaser shall have performed and complied with all of the terms, conditions, and covenants required by this Agreement to be performed or complied with by it prior to or at the Closing.
- 5.4 **Conditions Precedent to Purchaser's Obligations.** Purchaser's obligation to purchase and accept delivery of the Aircraft from Seller on the Closing Date is subject to the following conditions precedent:
- (i) Seller shall not be in breach or default of any of this Agreement;
 - (ii) The Aircraft shall be at the Delivery Location and in the Delivery Condition;
 - (iii) All of Seller's representations set forth in Article 6.1 below shall be true and accurate as of the time of Closing;
 - (iv) The Seller shall have paid any cost owed to the Inspection Facility for Seller's account;
 - (v) Seller shall have complied with its obligations in Article 5.2 above; and
 - (vi) Seller shall have performed and complied with all of the terms, conditions, and covenants required by this Agreement to be performed or complied with by it prior to or at the Closing.
- 5.5 **Closing.** The Closing will occur within five (5) Business Days following the Aircraft's Return to Service. The parties shall perform the following closing deliveries in the order presented:
- (i) On the Closing Date, the Escrow Agent shall confirm in writing to Purchaser that all proper, up-to-date searches for Liens have been completed by the Escrow Agent on the Aircraft (including the Engines) with the International Registry, showing that there are no Liens (other than as may have been created by, or through, Purchaser, or other than Liens which the Escrow Agent shall be able to discharge at Closing in accordance with this Agreement). Escrow Agent will provide Purchaser and Seller with a copy of each of the search certificates or results by email.
 - (ii) On the Closing Date, Escrow Agent shall confirm to Purchaser and Seller via email that it has received the items set forth in Articles 5.1 and 5.2 above;
 - (iii) Seller shall confirm to Purchaser and Escrow Agent via email that the conditions precedent

- to Seller's obligations in Article 5.3 above have been satisfied or waived;
- (iv) Purchaser shall confirm to Seller and Escrow Agent via email that the conditions precedent to Purchaser's obligations in Article 5.4 above have been satisfied or waived;
 - (v) Upon receipt of the confirmations in Articles 5.5(i) and 5.5(iv) above, the applicable parties shall undertake the following actions, which shall be irrevocable once initiated:
 - (a) Seller shall cause the Escrow Agent to file the Seller Registration Documents;
 - (b) Escrow Agent shall release the Purchase Price to Seller, less Seller's share of the Escrow Fees (pursuant to instructions to be provided by Seller to Escrow Agent prior to Closing), less amounts due to the Inspection Facility and Flight Safety International as per Exhibit F, and provide to Seller a Fedwire or SWIFT confirmation evidencing the same; and
 - (c) Escrow Agent shall date, complete, and release the Warranty Bill of Sale and Delivery Receipt to Purchaser; and
 - (d) Purchaser shall cause the Purchaser Filing Agent to file the Purchaser Registration Documents.
 - (vi) Immediately and simultaneously upon Escrow Agent dating and delivering the Warranty Bill of Sale in accordance with Article 5.5(v)(c), Seller shall transfer possession over, and Purchaser shall accept delivery of, the Aircraft at the Delivery Location; and
 - (vii) Purchaser and Seller will comply with Article 9.20 below.

Article 6. Representations and Warranties

6.1 **Seller's Representations and Warranties.** Seller hereby represents and warrants that, as of the Effective Date, and as of the Closing Date:

- (i) Seller is duly formed, validly existing, and in good standing under the laws of the jurisdiction listed on Schedule 6, having the capacity to sue and be sued in its own name, having full power, legal right, and authority to carry on its business as currently conducted, and to execute, deliver, and perform the provisions of this Agreement;
- (ii) The execution, delivery, and performance by Seller of this Agreement, and the sale of the Aircraft, have been duly authorized by all necessary action on behalf of Seller and do not conflict with or result in any breach of any of the terms or constitute a default under any document, instrument, or agreement to which Seller is a party;
- (iii) The person executing this Agreement on behalf of Seller has full power and authority to do so;
- (iv) To the best of Seller's knowledge and belief, neither it nor any of its employees (or any assignee under Article 9.7 below) are listed by the United States Department of Treasury on the Specifically Designated Nationals and Blocked Persons List or by the United States Department of Commerce on the Denied Persons List. To the best of Seller's knowledge and belief, there exists no England or United States prohibition on the transactions contemplated by this Agreement related to the identity, citizenship, location, or business of Seller or to the purpose for which the Aircraft was previously used;
- (v) Seller has not entered into any other agreements under which it has agreed to sell or lease or otherwise encumber the Aircraft or any part of the Aircraft, other than this Agreement or any Liens that are to be discharged at Closing.
- (vi) This Agreement constitutes the legal, valid, and binding obligations of Seller and is

enforceable against Seller in accordance with its terms subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, and similar laws affecting the enforceability of contractual obligations and creditors' rights generally and by the application of equitable principles by courts of competent jurisdiction, sitting at law or in equity; and

- (vii) At the time of the Closing, Seller shall convey to Purchaser good and marketable title to the Aircraft, free and clear of all Liens.

6.2 Purchaser's Representations and Warranties. Purchaser hereby represents and warrants that, as of the Effective Date and as of the Closing Date:

- (i) Purchaser is San Bernardino County, California having the capacity to sue and be sued in its own name, having full power, legal right, and authority to carry on its business as currently conducted, and to execute, deliver, and perform the provisions of this Agreement;
- (ii) The execution, delivery, and performance by Purchaser of this Agreement, and the acquisition of the Aircraft, have been duly authorized by all necessary action on behalf of Purchaser and do not conflict with or result in any breach of any of the terms or constitute a default under any document, instrument, or agreement to which Purchaser is a party;
- (iii) The person executing this Agreement on behalf of Purchaser has full power and authority to do so;
- (iv) This Agreement constitutes the legal, valid, and binding obligations of Purchaser and is enforceable against Purchaser in accordance with its terms subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, and similar laws affecting the enforceability of contractual obligations and creditors' rights generally and by the application of equitable principles by courts of competent jurisdiction, sitting at law or in equity;
- (v) Upon delivery of the Delivery Receipt at Closing, Purchaser will be deemed satisfied that the Aircraft meets the Delivery Condition and that the Seller is not the manufacturer of the Aircraft or any part thereof, or an agent of the manufacturer, or a dealer, or an agent of such a dealer, in property of such kind and hereby acknowledges that the Aircraft is being purchased at Closing on an "AS IS, WHERE IS," "WITH ALL FAULTS" basis with a warranty of good and marketable title and free from Liens, encumbrances, mortgages, leases, and rights of third parties;
- (vi) Until completion of the Closing, Purchaser (i) shall not assert a possessory lien or any type of Lien, legal order, attachment, or judgment encumbering the Aircraft, and (ii) shall not allow or suffer to exist, and shall immediately discharge at its sole cost and expense, any mechanic's lien, possessory lien, or any other type of Lien, legal order, attachment, or judgment encumbering the Aircraft arising or purportedly arising out of Purchaser's acts or omissions, and Purchaser's obligations under this Article 6.2(vi) shall survive any termination of this Agreement;
- (vii) Purchaser has not entered into any agreement for commissions, brokerage fees, or similar fees to be paid upon transfer of the Aircraft that would become the obligation of Seller or a lien on the Aircraft nor does Purchaser have any agreement or arrangement to pay any consideration whatsoever, directly or indirectly, to any employee, agent or independent contractor of Seller;
- (viii) Neither Purchaser nor any of its employees (or any assignee under Article 9.7 below of this Agreement) is listed by the United States Department of Treasury on the Specifically Designated Nationals and Blocked Persons List or by the United States Department of

Commerce on the Denied Persons List. There exists no United States prohibition on the transactions contemplated by this Agreement related to the identity, citizenship, location, or business of Purchaser (or its assignee) or to the purpose for which Purchaser (or its assignee) will use the Aircraft; and

- (ix) No portion of the Purchase Price is derived from Anti-Money Laundering Laws, meaning those laws, regulations, and sanctions, state and federal, criminal and civil, that (a) limit the use of and/or seek the forfeiture of proceeds from illegal transactions; (b) limit commercial transactions with designated countries or individuals believed to be terrorists, narcotics dealers, or otherwise engaged in activities contrary to the interests of the United States; (c) require identification and documentation of the parties with whom a financial institution conducts business; or (d) are designed to disrupt the flow of funds to terrorist organizations. Such laws, regulations, and sanctions shall be deemed to include the Patriot Act, the Bank Secrecy Act, the Trading with the Enemy Act, 50 U.S.C. App. section 1 et. seq., the International Emergency Economic Powers Act, 50 U.S.C. section 1701 et. seq., and the sanction regulations promulgated pursuant thereto by the OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. sections 1956 and 1957.

Article 7. Disclaimer

7.1 **DISCLAIMER AND LIMITATION OF LIABILITY.** EXCEPT FOR SELLER'S WARRANTY OF TITLE TO THE AIRCRAFT AS SET FORTH HEREIN AND IN THE WARRANTY BILL OF SALE, THE AIRCRAFT AND EACH PART THEREOF IS BEING SOLD AND DELIVERED TO PURCHASER ON AN "**AS IS, WHERE IS, WITH ALL FAULTS**" BASIS, WITHOUT ANY REPRESENTATION, WARRANTY, OR GUARANTY OF ANY KIND BEING MADE OR GIVEN BY SELLER, ITS SHAREHOLDERS, MEMBERS, DIRECTORS, OFFICERS, MANAGERS, AGENTS, EMPLOYEES, OR ATTORNEYS, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, AND SELLER DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES WHETHER ARISING IN LAW, IN EQUITY, IN CONTRACT, OR IN TORT INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, AIRWORTHINESS, DESIGN, CONDITION, OR FITNESS FOR A PARTICULAR USE. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT FOR SELLER'S WARRANTY OF TITLE TO THE AIRCRAFT AS SET FORTH HEREIN AND IN THE WARRANTY BILL OF SALE, SELLER SHALL NOT BE LIABLE OR RESPONSIBLE TO PURCHASER FOR ANY DEFECTS, EITHER PATENT OR LATENT, IN THE AIRCRAFT OR FOR ANY DIRECT OR INDIRECT DAMAGE TO PERSONS OR PROPERTIES RESULTING THEREFROM OR FOR PURCHASER'S LOSS OF USE OF OR A DIMINUTION IN VALUE OF THE AIRCRAFT OR FOR ANY INTERRUPTION IN PURCHASER'S BUSINESS CAUSED BY PURCHASER'S INABILITY TO USE THE AIRCRAFT FOR ANY REASON WHATSOEVER.

UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR LOST PROFITS, LOSS OF BUSINESS, LOSS OF USE, OR ANY OTHER INCIDENTAL, INDIRECT, CONSEQUENTIAL, EXEMPLARY, PUNITIVE, OR SPECIAL DAMAGES ARISING OUT OF OR RELATED TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY DELAY IN CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED HEREBY, WHETHER IN TORT, INCLUDING NEGLIGENCE OR STRICT PRODUCTS LIABILITY, OR IN CONTRACT, INCLUDING BREACH OF EXPRESS OR IMPLIED WARRANTIES, AND EACH PARTY HEREBY WAIVES ANY RIGHT IT MAY HAVE TO SUCH DAMAGES.

Article 8. Taxes

- 8.1 **Seller's Taxes.** Seller has paid and/or shall bear, and shall defend, indemnify, and hold Purchaser harmless from and against any Taxes arising prior to the Closing. In the event Purchaser receives written notice of any audit, claim, assessment, or proposed assessment of any Taxes for which Seller may be responsible under this Article 8.1, Purchaser shall notify Seller within ten (10) Business Days of receipt of the notice, and Seller and Purchaser shall reasonably cooperate to manage and/or defend any such audit, claim, assessment, or proposed assessment.
- 8.2 **Purchaser's Taxes.** Purchaser shall bear, and shall defend, indemnify, and hold Seller harmless from and against any Taxes arising as a result of the sale, delivery, or transfer of the Aircraft to Purchaser or arising after the Closing, except to the extent (i) imposed on or measured by Seller's income or (ii) related to a period (or portion of a period) ending on or prior to the Closing. In the event Seller receives written notice of any audit, claim, assessment, or proposed assessment of any Taxes for which Purchaser may be responsible under this Article 8.2, Seller shall notify Purchaser within ten (10) Business Days of receipt of the notice, and Seller and Purchaser shall reasonably cooperate to manage and/or defend any such audit, claim, assessment, or proposed assessment. Seller shall reasonably cooperate with Purchaser so as to mitigate or exempt the transaction from the imposition of any Taxes on Purchaser in connection with the transactions contemplated hereby.

Article 9. Legal

- 9.1 **Risk of Loss, Damage or Destruction of Aircraft.** Title to, and risk of loss, injury, destruction, or damage to the Aircraft shall pass from Seller to Purchaser upon completion of the Closing, which shall be deemed the time the FAA Bill of Sale is filed with the FAA Civil Aircraft Registry. Notwithstanding any contrary provision of this Agreement, if at any time prior to the Closing the Aircraft is destroyed or damaged in such a manner that constitutes a Total Loss, (i) the Escrow Agent shall refund the Deposit immediately to Purchaser (less any amounts owed by Purchaser under the terms of this Agreement), and (ii) this Agreement shall terminate and be of no further force or effect. In the event of any Material Damage to the Aircraft following the Effective Date (other than Total Loss occurring prior to Closing), Seller shall promptly notify Purchaser in writing of such damage and Purchaser shall provide the Damage Election. In the event that Purchaser elects to terminate this Agreement as a result of damage in accordance with this Article 9.1, (i) the Escrow Agent shall refund the Deposit immediately to Purchaser (less any amounts owed by Purchaser under the terms of this Agreement), and (ii) this Agreement shall terminate and be of no further force or effect. If Purchaser elects to have Seller repair the Aircraft, Seller may elect either (i) to undertake such repairs or (ii) to terminate this Agreement, whereupon the Escrow Agent shall promptly refund the Deposit to Purchaser (less any amounts owed by Purchaser under the terms of this Agreement).
- 9.2 **Seller's Default.** This Agreement may be terminated by Purchaser in the event of a breach by Seller of any material provision of this Agreement (provided that Purchaser is in compliance with its material obligations under this Agreement), which breach is not cured within seven (7) Business Days following the delivery to Seller of written notice from Purchaser or which breach by its nature cannot be cured prior to Closing. If Purchaser elects to terminate this Agreement under this Article 9.2, within two (2) Business Days following Purchaser's written demand for same, the Escrow Agent shall fully refund the Deposit to Purchaser, and Seller shall reimburse Purchaser for Purchaser's actual costs and expenses incurred for the Inspection, Flight Test, and reasonable legal fees and expenses not to exceed the sum of US\$10,000.00, and the parties shall have no further obligations or liabilities with respect to this Agreement. Purchaser's rights to receive the

amounts expressly set forth in this Article 9.2 shall be the sole remedy available to Purchaser for breach of contract in the event Seller defaults on Seller's obligations under this Agreement, and Purchaser waives any other remedies that may be available to Purchaser at law or in equity for breach of contract. The foregoing limitations shall be inapplicable to Seller's breach of Articles 6.1, 7.1, 8.1, 9.12, 9.14, 9.15, 9.22 and/or within the Warranty Bill of Sale.

- 9.3 **Purchaser's Default.** This Agreement may be terminated by Seller in the event of a breach by Purchaser of any material provision of this Agreement (provided that Seller is in compliance with its material obligations under this Agreement) which breach is not cured within seven (7) Business Days of the delivery to Purchaser of written notice from Seller or which breach by its nature cannot be cured prior to Closing. If Seller elects to terminate this Agreement under this Article 9.3, as its sole remedy, Seller shall be entitled to be paid the Deposit as liquidated damages, and the Escrow Agent shall pay the Deposit to Seller within two (2) Business Days of written demand by Seller, and this Agreement shall be of no further force or effect. The parties acknowledge and agree that the liquidated damages amount provided for in this Article 9.3 is a reasonable estimate of the damages that would be incurred by Seller in the event Purchaser defaults on Purchaser's obligations under this Agreement, and Seller hereby waives any and all other remedies that may be available to it. The foregoing limitations shall be inapplicable to Purchaser's breach of Articles 6.2, 7.2, 9.12, 9.14, 9.15, and 9.22.
- 9.4 **Force Majeure.** If a Force Majeure Event occurs, the non-performing party shall promptly notify the performing party. Upon receipt of such notice, the non-performing party is excused from (i) whatever performance is prevented by the Force Majeure Event to the extent prevented and (ii) satisfying whatever conditions precedent to the performing party's obligations that cannot be satisfied, to the extent they cannot be satisfied. When the non-performing party is able to (i) resume performance of its obligations under this Agreement, or (ii) satisfy the conditions precedent to the performing party's obligations, it shall immediately give the performing party written notice to that effect and shall resume performance under this Agreement no later than one Business Day after the notice is delivered. If the suspension of performance continues for a period of more than thirty (30) days, either party may terminate this Agreement by giving written notice to the other party. In such event, the Escrow Agent shall (i) deduct from the Deposit the Escrow Fees; and (ii) remit the balance of the Deposit to Purchaser. Thereafter, neither party shall have any obligation or liability to the other with respect to the subject matter of this Agreement.
- 9.5 **Amendments and Waiver.** The parties may not amend, alter, modify, waive, supplement, or terminate the provisions of this Agreement, except in a writing executed by the party against whom the amendment is sought to be enforced. No failure or delay in exercising any right or remedy or requiring the satisfaction of any condition under this Agreement, and no course of dealing between the parties, operates as a waiver of any right remedy or condition.
- 9.6 **Severability.** If any provision of this Agreement is determined to be invalid, illegal, or unenforceable, the remaining provisions of this Agreement remain in full force, if the essential terms and conditions of this Agreement for each party remain valid, binding, and enforceable.
- 9.7 **Assignment.** Except with the prior written consent of the other party or as otherwise provided in this Agreement (i) no party may assign any of its rights under this Agreement, and (ii) no party may delegate any performance under this Agreement. Any purported assignment of rights or delegation of performance in violation of this Article 9.7 is void. Notwithstanding the foregoing, Purchaser may assign its rights and delegate its performance under this Agreement, in whole or in part, to (i) a corporation or other entity controlled by or under common control with Purchaser or (ii) to any entity that may provide financing (including leasing) to Purchaser in connection with the acquisition of the Aircraft or for the purpose of registration by an owner trustee. In the case of the foregoing permitted assignment or delegation, the Purchaser shall remain primarily obligated for its assignee's payment and performance of Purchaser's obligations under this Agreement.

- 9.8 **Successor and Assigns.** This Agreement binds and benefits the parties and their respective permitted successors and assigns.
- 9.9 **Interpretation.** The division of this Agreement into Articles, and the insertion of headings, are for convenience only and shall not affect the construction or interpretation of this Agreement. Words denoting the singular include the plural and vice versa. References to documents or instruments are to the same as modified from time to time. A reference to any person includes a reference to the successors in interest and permitted assigns of that person and, in the case of a government entity, a person succeeding to any of its functions. When used herein, the words "include" and "including" shall be construed as "include, without limitation" and "including, without limitation." Save where the context otherwise requires, references to an or the *Aircraft* are to the Aircraft described herein.
- 9.10 **Counterparts.** The parties may execute this Agreement in multiple counterparts each of which constitutes an original, and all of which, collectively, constitute only one agreement. The signatures of all the parties need not appear on the same counterpart, and delivery of an executed counterpart by facsimile or other electronic transmission is as effective as executing and delivering this Agreement in the presence of the other parties.
- 9.11 **Notices.** Any notice, instruction, request, demand, or other communication under this Agreement shall be in writing and sent by prepaid first-class mail, airmail, telefax, electronic mail, or delivered by hand, and addressed to the respective party's addressee as listed on Schedule 6 to this Agreement. With respect to any notice, instruction, request, demand, or other communication under this Agreement, each party and the Escrow Agent may rely on and act upon a telefax or electronic mail from a party as if the telefax or electronic mail were the delivery of the original.
- 9.12 **Attorney Fees and Costs.** With the exception of any indemnity obligations, in the event it becomes necessary to enforce the terms of this Agreement by litigation or otherwise, each party shall bear its own costs and attorney's fees.
- 9.13 **Entire Agreement.** This Agreement, together with all Schedules and Exhibits, constitutes the final agreement between the parties. It is the complete and exclusive expression of the parties' agreement on the matters contained in this Agreement. All prior and contemporaneous negotiations and agreements between the parties on the matters contained in this Agreement are expressly merged into and superseded by this Agreement. The provisions of this Agreement may not be explained, supplemented, or qualified through evidence of trade usage or a prior course of dealings. In entering into this Agreement, Purchaser expressly acknowledges and agrees that Seller has not made, and Purchaser has not relied on, any statement, representation, warranty, or agreement of Seller, except for those expressly contained in this Agreement. There are no conditions precedent to the effectiveness of this Agreement other than those expressly stated in this Agreement.
- 9.14 **Transaction Costs and Expenses.** Except as otherwise set forth in this Agreement, each party to this Agreement shall bear its own transaction costs and expenses including any brokers' commissions and/or attorneys' fees. Each party hereto agrees to indemnify and hold the other harmless from and against any claims made by any broker, consultant, or other party claiming an interest in the Aircraft or the Purchase Price arising from an actual or alleged relationship or agreement with the indemnifying party.
- 9.15 **Indemnification.** Seller agrees to indemnify, defend (with counsel reasonably approved by County), and hold harmless Purchaser and its authorized officers, employees, agents, and volunteers (Indemnitees) from any and all claims, actions, losses, damages, and/or liability arising out of the Agreement from any cause whatsoever, including the acts, errors, or omissions of any person and for any costs or expenses incurred by Purchaser on account of any claim except where such indemnification is prohibited by law. This indemnification provision shall apply regardless

of the existence or degree of fault of Indemnitees. Seller's indemnification obligation applies to Purchaser's "active" as well as "passive" negligence but does not apply to Purchaser's "sole negligence" or "willful misconduct" within the meaning of California Civil Code section 2782.

9.16 **Survival.** The representations, warranties, and indemnification obligations of Purchaser and Seller shall survive the Closing in perpetuity; provided, however, that any of the same pertaining to the technical condition of the Aircraft, if any, shall terminate at Closing.

9.17 **Time is of the Essence.** Time shall be of the essence for all events contemplated in this Agreement.

9.18 **Further Assurances.** Each party, and its officers and directors, shall use all commercially reasonable efforts to take, or cause to be taken, all actions necessary or desirable to consummate and make effective the transactions this Agreement contemplates. If at any time after the Closing Date any further action is necessary or desirable to carry out the purposes of this Agreement, each party and its officers and directors shall use all commercially reasonable efforts to take, or cause to be taken, all such action.

9.19 **Governing Law/Jurisdiction/Venue.** The parties acknowledge and agree that this Agreement was entered into and intended to be performed in San Bernardino County, California. In the event of a dispute, the parties shall use their best efforts to settle the dispute through negotiation with each other in good faith. The parties further agree that the venue of any action or claim brought by any party to this Agreement will be the Superior Court of California, San Bernardino County, San Bernardino District. Each party hereby waives any law or rule of the court that would allow them to request or demand a change of venue. If any action or claim concerning this Agreement is brought by any third party and filed in another venue, the parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California, San Bernardino County, San Bernardino District.

9.20 **Cape Town Convention**

(i) Prior to the Closing, both Seller and Purchaser shall become a "Transacting User Entity" with the International Registry. Each of Purchaser and Seller shall bear its own expense in doing so and such expenses shall not be considered Escrow Fees.

(ii) Each party shall provide to the other, as a condition to Closing, evidence that it has been approved by the International Registry as a "Transacting User Entity" and has duly registered with, is authorized to make filings with, and has received all approvals from the International Registry, and has appointed an Administrator.

(iii) Each party shall, as a condition to Closing, authorize the Escrow Agent to act as, and shall designate the Escrow Agent or another mutually agreed party as, its "Professional User Entity" to effect, amend, discharge, and consent to registrations with respect to the Airframe and the Engines on its behalf. Neither Seller nor Purchaser shall revoke such authorization until after the earlier to occur of (a) the discharge of any International Interest(s) and registration of a Contract of Sale of the Airframe and Engines with the International Registry following release of the Warranty Bill of Sale conveying the Aircraft from Seller to Purchaser or (b) termination of this Agreement in accordance with its terms. Purchaser shall have no right to and hereby agrees that it will not register, consent to, or allow any third party (including any prospective lender or assignee) to register any Contract of Sale, Prospective Sale, International Interest, or Prospective International Interest with respect to the Airframe or Engines until title to the Aircraft has been conveyed to Purchaser at the Closing, and if there has been any such registration, take all necessary actions to discharge or cause to discharge such registration immediately at its sole cost and expense.

(iv) Purchaser and Seller shall cooperate to cause the Escrow Agent, as a Professional User

Entity, to register a Contract of Sale of the Airframe and the Engines with the International Registry immediately after release of the Warranty Bill of Sale. Seller and Purchaser each hereby expressly consents to the registration of the Contract of Sale with respect to the Airframe and the Engines.

- (v) Immediately prior to Closing, the Escrow Agent shall obtain a Priority Search Certificate from the International Registry with respect to the Airframe and the Engines) confirming that no prior International Interest exists that will not be otherwise discharged at Closing with respect to the Airframe and the Engines. Any Priority Search Certificate obtained by the Escrow Agent from the International Registry with respect to the Airframe and the Engines shall identify the Purchaser and the Seller as having the benefit of the search.
- (vi) Notwithstanding anything in this Agreement to the contrary, Purchaser and the Escrow Agent hereby agree that in the event of termination of this Agreement for any reason whatsoever (which termination shall in no event be effective until the requirements of this Article 9.20(vi) and Article 9.20(vii) have been satisfied), the Escrow Agent shall not return any portion of the Deposit to Purchaser unless and until the Escrow Agent has searched the International Registry and determined that no International Interest, Prospective International Interest, Contract of Sale, Prospective Sale, or other interest has been filed or registered against any portion or all of the Airframe and/or Engines as a result of the acts or omissions of Purchaser, or by Purchaser or any person claiming by, through, or under Purchaser or consented to by Purchaser. The Purchaser shall pay all costs and expenses to search the International Registry pursuant to this Article 9.20(vi).
- (vii) If, in the event of termination of this Agreement for any reason whatsoever, any International Interest, Prospective International Interest, Contract of Sale, Prospective Contract of Sale, or other interest has been filed or registered against the Airframe and/or Engines as a result of the acts or omissions of Purchaser, or by Purchaser or any person claiming by, through, or under Purchaser or consented to by Purchaser, Purchaser hereby irrevocably authorizes and directs the Escrow Agent to cause the discharge of any such filing or registration not later than one (1) Business Day after the Escrow Agent becomes aware of any such filing or registration. Seller shall have all of the rights available to it under law or in equity, including the right of specific performance, to enforce Purchaser's performance of its obligations under this Article 9.20(vii). Notwithstanding anything in this Agreement to the contrary, Purchaser agrees to be responsible for and upon demand to indemnify Seller and to hold Seller harmless from and against any claims, demands, liabilities, damages, losses and judgments, arising out of any breach by Purchaser of any of its obligations under Article 9.20(vi) or this Article 9.20(vii). Purchaser hereby authorizes and directs the Escrow Agent to apply any portion or all of the entire Deposit toward Purchaser's obligations under this Agreement (but Purchaser's liability for breaches of Article 9.20(vi) and this Article 9.20(vii) shall be limited to the amount of the entire Deposit). This indemnity obligation and all of Purchaser's other obligations under Article 9.20(vi) and this Article 9.20(vii) shall survive the termination of this Agreement for any reason.

9.21 **Registration.** Purchaser shall have no right to and hereby agrees that it will not register, consent to, or allow any third party claiming by, through, or under Purchaser to register or consent to any Contract of Sale, Prospective Sale, International Interest, or Prospective International Interest with respect to the Airframe or Engines until title to the Aircraft has been conveyed to Purchaser at the Closing. Seller shall have no obligation to register or consent to any registration of any Contract of Sale, Prospective Sale, International Interest, or Prospective International Interest with respect to the Airframe and/or Engines until title to the Aircraft has been conveyed to Purchaser at the Closing.

9.22 **Agreement Negotiated.** The parties to this Agreement are sophisticated and have been represented or had the opportunity to be represented in connection with the negotiation and performance of this Agreement. The parties agree that no presumptions relating to the interpretation of contracts against the drafter of any particular clause should or may be applied in this case and, therefore, waive their effects.

9.23 **Confidentiality.** The terms and conditions of this Agreement, and all writings, discussions, and negotiations in connection with the transaction contemplated by this Agreement (including the fact that discussions and negotiations have been conducted by the parties), shall remain strictly confidential and shall not be disclosed by either party, without the prior written consent of the other party, except that each party shall be entitled to disclose the terms and conditions of this Agreement (i) as may be required by law or legal process; (ii) to such party's attorneys, accountants, consultants, lenders, and other advisors performing services for such party with respect to or affected by the transaction contemplated by this Agreement including the Escrow Agent and Inspection Facility and their personnel; (iii) to each party's employees with a need to know; (iv) as may be required to permit such party to pursue all available remedies for breach of this Agreement by the other party; and (v) to any entity that may provide financing to Purchaser in connection with the acquisition of the Aircraft.

9.24 **Iran Contracting Act.** IRAN CONTRACTING ACT OF 2010, Public Contract Code section 2200 et seq. (Applicable for all Contracts of one million dollars (\$1,000,000) or more). In accordance with Public Contract Code section 2204, subdivision (a), the Seller certifies that at the time the Contract is signed, the Seller signing the Contract is not identified on a list created pursuant to subdivision (b) of Public Contract Code section 2203 as a person (as defined in Pub. Contract Code, § 2202, subd. (e)) engaging in investment activities in Iran described in subdivision (a) of Public Contract Code section 2202.5, or as a person described in subdivision (b) of Public Contract Code section 2202.5, as applicable.

Sellers are cautioned that making a false certification may subject the Seller to civil penalties, termination of existing contract, and ineligibility to bid on a contract for a period of three (3) years in accordance with Public Contract Code section 2205.

9.25 **Campaign Contribution Disclosure (SB 1439)** Seller has disclosed to the Purchaser using Exhibit G - Campaign Contribution Disclosure Senate Bill 1439, whether it has made any campaign contributions of more than \$250 to any member of the San Bernardino County Board of Supervisors or other County elected officer [Sheriff, Assessor-Recorder-Clerk, Auditor-Controller/Treasurer/Tax Collector and the District Attorney] within the earlier of: (1) the date of the submission of Seller's proposal to the County, or (2) 12 months before the date the Contract was approved by the Board of Supervisors. Seller acknowledges that under Government Code section 84308, Seller is prohibited from making campaign contributions of more than \$250 to any member of the Board of Supervisors or other County elected officer for 12 months after the County's consideration of the Contract.

In the event of a proposed amendment to the Contract, the Seller will provide the Purchaser a written statement disclosing any campaign contribution(s) of more than \$250 to any member of the Board of Supervisors or other County elected officer within the preceding 12 months of the date of the proposed amendment.


Campaign contributions include those made by any agent/person/entity on behalf of the Seller or by a parent, subsidiary, or otherwise related business entity of Seller.


[Signature Page to follow]

IN WITNESS WHEREOF, the undersigned parties have caused this Agreement to be executed, delivered, and effective as of the date first above written.

Seller:
SOUTHERN CROSS AIRCRAFT, LLC

Purchaser:
San Bernardino County

By: 
Printed Name: Peter Hosmann
Title: COO

By: 
Printed Name: Dawn Rowe
Title: Chair, Board of Supervisors

Aug 15, 2024

AUG 20 2024

Agreement of Escrow Agent

Subject to the Escrow T&C, the undersigned does hereby consent to and join in the foregoing Agreement hereby agreeing to act as Escrow Agent in accordance with the provisions of the Agreement applicable to Escrow Agent.

SIGNED AND CERTIFIED THAT A COPY OF
THIS DOCUMENT HAS BEEN DELIVERED
TO THE CHAIRMAN OF THE BOARD
LYNNA MONELL
Clerk of the Board of Supervisors
of the County of San Bernardino

By _____



Escrow Agent:

IATS

By: 
Kirk Woford Aug 15, 2024 19:40 CDT

Kirk Woford, President

Aug 15, 2024

Schedule 1

Definitions

The following terms shall have the following meanings for all purposes of this Agreement:

1. **"Aircraft"** means the (i) Airframe, (ii) Engines, (iii) appurtenances, two (2) Hartzell Propeller Inc., model HC-B4MP-3C propellers, Serial Numbers FWA6656 & FWA6682, appliances, parts, avionics, instruments, components, accessions, furnishings, items of equipment and accessories installed thereon or appurtenant thereto, (iv) Loose Equipment, and (v) the Aircraft Documents.
2. **"Airframe"** means that certain Textron Aviation Inc., (King Air) B300 airframe, bearing manufacturer's serial number FL-1303, and registration number N581MB.
3. **"Aircraft Documents"** means all documents and records relating to and/or required to be maintained with respect to the Aircraft, including all Airframe, Engines, and accessory logbooks, which shall all be complete, original, consecutive, and in English, along with all manuals, diagrams, drawings, data, and other ancillary documents relating to the Aircraft, in Seller's possession or under Seller's control and listed on Schedule 2 to this Agreement.
4. **"Business Day"** means any day of the year (other than a Saturday or a Sunday) in which (i) banks are authorized to operate or are not required to close in New York, New York, and (ii) the Seller Registry and Purchaser Registry are open for filing documents.
5. **"Cape Town Convention"** means, collectively, the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment, which were adopted on November 16, 2001 at a diplomatic conference held in Cape Town, South Africa. The terms "Administrator," "Contract of Sale," "Prospective Contract of Sale," "International Interest," "Prospective International Interest," "International Registry," "Professional User Entity," "Transaction User Entity," and "Priority Search Certificate" shall have the meanings given them in the Cape Town Convention.
6. **"Closing"** means the consummation of the purchase and sale transaction contemplated by this Agreement, the process of which is described in Article 5.5.
7. **"Closing Date"** means the date the Closing occurs.
8. **"CTAR"** means written notice of conditional technical acceptance or rejection of the Aircraft via the form attached hereto as EXHIBIT A.
9. **"Damage Election"** means written notice provided by Purchaser telling Seller whether Purchaser desires (i) that the Aircraft be repaired by Seller in anticipation of the Closing, or (ii) to terminate this Agreement.
10. **Reserved.**
11. **"Delivery Condition"** means the technical requirements of the Aircraft as set forth on Schedule 5 to this Agreement.
12. **"Delivery Flight"** means the flight from the Inspection Facility to the Delivery Location, the cost of which shall be charged at the Hourly Rate.
13. **"Delivery Location"** means Tampa, FL, USA, or such other tax-friendly locations may be mutually agreed to by Purchaser and Seller.

14. **"Delivery Receipt"** means an Aircraft Delivery Receipt in the form of EXHIBIT B attached hereto.
15. **"Deposit"** means the purchase money deposit in the sum of Five Hundred Thousand and 00/100 United States Dollars (US \$500,000.00) which was deposited with the Escrow Agent prior to the Effective Date.
16. **Reserved.**
17. **"Discrepancies"** means any maintenance and/or repair discrepancies identified by the Inspection Facility during the Inspection, the correction of which is necessary to satisfy or conform the Aircraft to the Delivery Condition.
18. **"Engines"** means those two (2) installed Pratt and Whitney Co, PT6A-60A engines bearing manufacturer's serial numbers PCE-PK2777 and PCE-PK2778, respectively.
19. **"Escrow Agent"** means Insured Aircraft Title Service, Inc, ("IATS"), Attention Angie Risley, Escrow Agent, which shall act as document holder and stakeholder for the sale and purchase of the Aircraft.
20. **"Escrow Fees"** means an amount equal to Ten Thousand Four Hundred and 00/100 United States Dollars (US\$10,400.00).
21. **"Escrow T&C"** means the terms and conditions issued by the Escrow Agent which shall govern the escrow arrangement and are attached hereto as EXHIBIT D.
22. **"Final Payment"** means (i) the Purchase Price, less the Deposit, (ii) Purchaser's half of the Escrow Fees, (iii) Purchaser's share of the Flight Costs, and (iv) any other costs agreed to be paid by Purchaser and disbursed at Closing.
23. **"Flight Costs"** means the cost of Inspection Facility Flight, the cost of the Delivery Flight, and the cost of the Flight Test.
24. **"Flight Test"** means a flight test of the Aircraft of not more than two (2) hours in duration, the cost of which shall be charged at the Hourly Rate.
25. **"Force Majeure Event"** means any act or event, whether foreseen or unforeseen, that (i) because of which is beyond the non-performing party's reasonable control and not the non-performing party's fault and (ii) that prevents a party from (a) performing its obligations under this Agreement or (b) satisfying any conditions to the performing party's obligations under this Agreement. This includes, but is not limited to, acts of God or the public enemy, acts of terrorism, war or other outbreak of hostilities, civil commotion, strikes, lockouts, and labor disputes.
26. **"Governing Law"** means the laws of California.
27. **"Hourly Rate"** means the per flight hour charge of \$1,500.00 USD.
28. **"Inspection"** means the expeditious technical inspection of the Aircraft, limited to the Scope of Inspection and a review of the Aircraft Documents.
29. **"Inspection Facility"** means Textron Aviation Service Center, Tampa, Florida, USA or such other facility as may be mutually agreed between the parties.
30. **"Inspection Facility Flight"** means the flight to move the Aircraft to the Inspection Facility.

31. **“Inspection Report”** means the final written report generated by the Inspection Facility describing the results of the Inspection, which shall be released to both Purchaser and Seller upon completion of the Inspection.
32. **“Jurisdiction”** means the courts located in San Bernardino County, California, USA.
33. **“Lien”** means any lien, mortgage, security interest, lease, and/or other notation, claim, charge, International Interest, encumbrance, and/or right of others, whether directly or under any airframe, engine or parts, interchange, loan, lease or pooling agreement.
34. **“Loose Equipment”** loose equipment normally a part of the Aircraft, in the possession or control of Seller, and set forth on Schedule 3 to this Agreement.
35. **“Manufacturer”** means the applicable manufacturer of the Aircraft, Engines, or other part installed on the Aircraft.
36. **“Manufacturer Warranties”** means any product warranties or service life policies relating to the Aircraft and arising under any agreement between the Seller and the Airframe Manufacturer, the Engine Manufacturer, or any other supplier, vendor, repairer, or servicer.
37. **“Material Corrosion”** means corrosion or undisclosed history of corrosion (i) beyond manufacturer’s tolerances and limitations, the repair of which constitutes Material Damage, or (ii) which cannot be repaired, rectified and terminated on a non-recurring basis such that the Aircraft can be returned to service without a requirement of repetitive or recurring inspections which deviate from the Aircraft manufacturer’s normal maintenance procedures or required modifications to the normal component life limitations, overhaul and/or inspection intervals for the Aircraft.
38. **“Material Damage”** means any damage (or history of damage) to the Aircraft or any part of the Aircraft (i) that requires or required the issuance of an FAA Form 337 (whether or not such form is actually issued) or any foreign equivalent or that requires or required an alteration or repair which would constitute a “major repair” as such term is defined in 14 C.F.R., Part 43, Appendix A and recorded in a manner prescribed by 14 C.F.R., Part 43, Appendix B, (ii) requires or required any deviation from the original approved manufacturer’s aircraft build specification or standard production configuration, and/or (iii) requires repetitive or recurring inspections which deviate from the Aircraft manufacturer’s normal maintenance procedures or required modifications to the normal component life limitations, overhaul and/or inspection intervals for the Aircraft.
39. **“Normal Working Order”** means a condition that is fully operational and (i) is consistent with the maintenance manual specifications, tolerances and limitations applicable to the unit; (ii) is good but not necessarily perfect, it being understood and agreed that normal wear and tear that does not materially impair performance of the unit shall be acceptable; and (iii) does not require a modification to the normal life limitation, overhaul or inspection interval of the unit.
40. **“OFAC”** means the Office of Foreign Assets Control, that regulates cross-border financial transactions involving United States parties and intermediaries. In doing so, it administers several sanctions programs that either restrict or prohibit U.S. parties’ involvement in transactions involving specified foreign individuals and entities.
41. **“Purchase Price”** means the amount of Eight Million Nine Hundred Ninety-Seven Thousand Nine Hundred and Two and 00/100 United States Dollars (US\$8,997,902.31).
42. **“Purchaser Filing Agent”** means the entity or individual who shall file the Purchaser Registration Documents and may, if appropriate, be the Escrow Agent.

43. **"Purchaser Registry"** means the national aircraft register operated by the civil aviation authority of the United States of America.
44. **"Purchaser Registration Documents"** means any and all documents necessary to register the Aircraft in Purchaser's name with the Purchaser Registry, including an FAA Registration Application for the Aircraft.
45. **"Return to Service"** means the Aircraft's release to service through the Inspection Facility's logbook entries.
46. **"Scope of Inspection"** means the scope of the Inspection agreed to be conducted by the parties and attached to this Agreement as Schedule 4.
47. **"Seller Filing Agent"** means the entity or individual who shall file the Seller Registration Documents and may, if appropriate, be the Escrow Agent.
48. **"Seller Registration Documents"** means all documents necessary to release the Lien against the Aircraft and any and all documents necessary to file with the Seller Registry to transfer the registration of the Aircraft from Seller to Purchaser.
49. **"Seller Registry"** means the national aircraft register operated by the civil aviation authority of the United States of America.
50. **"Specification"** means the description of the Aircraft as more fully set forth on Exhibit "E".
51. **"SWIFT"** means the Society for Worldwide Interbank Financial Telecommunications
52. **"Taxes"** means any sales, use, value added, excise and other similar taxes (including excise-equivalent customs duty), and any and all taxes, fees, duties, interest, penalties, charges, invoices, claims, assessments and statements imposed or imposable by any federal, state, county, local, foreign or other governmental authority, entity or party arising from any purchase, sale, lease, delivery, transfer, possession, use, storage, operation, maintenance, consumption, or registration of the Aircraft.
53. **"Total Loss"** means, with respect to the Aircraft (including for the purposes of this definition, the Airframe and Engines), the total loss or the loss of the use of the Aircraft due to theft, disappearance, destruction or the requisition or taking of use of the Aircraft or any substantial part of the Aircraft by any governmental entity; and/or any damage to the Aircraft or any part of the Aircraft to any extent which, in the opinion of the insurers with which the Aircraft is insured, renders repair impractical or uneconomic; and/or any other event which is treated by the insurers with which the Aircraft is insured, or by Seller or any governmental entity having applicable jurisdiction, as a total loss of the Aircraft.
54. **"Warranty Bill of Sale"** means a Warranty Bill of Sale for the Aircraft in the form of EXHIBIT C attached hereto.

Schedule 2

Aircraft Documents

To be inventoried and provided as part of the Inspection.

Schedule 3

Loose Equipment

To be inventoried and provided as part of the Inspection.

Schedule 4

Scope of Inspection

- Engine Borescopes – Purchaser Expense
- Test Flight - Purchaser Expense
- Logbook Review - Purchaser Expense

Schedule 5

Delivery Conditions

1. The Aircraft must be in an airworthy condition for operations in accordance with Part 91 of the FARs with a current and valid certificate of airworthiness from the United States of America without any limitations or exceptions except for those common to all model B300 aircraft and duly registered with the FAA.
2. The Aircraft must be in full compliance with all standards, regulations, and requirements of the FAA and the manufacturers, with no deferrals, extensions, or technical variances;
3. All Aircraft systems, components, and equipment must be functioning in Normal Working Order;
4. The Aircraft must be in compliance with the manufacturer's recommended maintenance program with all Chapter 5, life limited, calendar and hourly inspections current through Closing, without any deferrals, extensions, or non-standard inspection intervals;
5. The Aircraft must be in compliance with all mandatory service bulletins and applicable FAA airworthiness directives which have been issued with respect to the Aircraft and have a terminating action on or prior to Closing without any deferrals, extensions;
6. The Aircraft must have no Material Damage or Material Corrosion;
7. The Aircraft must have no parts, systems or components installed on a temporary, loan or exchange basis;
8. With all Aircraft Documents;
9. Equipped and compliant with the Specification;
10. With no technical variances or engineering dispositions on the airframe or engines;
11. Equipped, certified, and compliant with ADS-B Out;
12. Free and clear of all Liens and Encumbrances.

Schedule 6

Party Information and Notices

1. Seller is a company organized under the laws of Florida.

Seller Addressee	
SELLER: SOUTHERN CROSS AIRCRAFT, LLC _____ 1900 Executive Airport Way _____ Ft. Lauderdale, FL 33309 _____ Attn: <u>Peter Hosmann</u> Telephone: <u>954-377-0300</u> Email: <u>peter@scross.com</u>	With Copy to: _____ _____ _____ Attn: _____ Telephone: _____ Email: _____

2. Purchaser is a governmental entity organized under the laws of California.

Purchaser Addressee	
Purchaser: San Bernardino County Sheriff 's Department – Contracts Unit 655 E. Third Street San Bernardino, CA 92415-0061	With Copy to:

3. Escrow Agent:

Escrow Agent Addressee	
ESCROW AGENT: Insured Aircraft Title Service, LLC (IATS) 21 E Main St., Ste. 100 Oklahoma City, OK 73104 _____ Attn: <u>Angie Risley</u> Telephone: (800) 654-4882 Email: <u>angier@insuredaircraft.com</u>	With Copy to: _____ _____ _____ Attn: _____ Telephone: _____ Email: _____

EXHIBIT A
TECHNICAL ACCEPTANCE/REJECTION
LETTER

Date: _____ 2024

SOUTHERN CROSS AIRCRAFT, LLC

Re: Completion of Inspection

Gentlemen:

Pursuant to that certain Aircraft Purchase Agreement (the "**Agreement**") dated as of August 20, 2024, by and between San Bernardino County, California ("**Purchaser**") and SOUTHERN CROSS AIRCRAFT, LLC ("**Seller**"), pertaining to that certain Textron Aviation Inc., King Air B300 aircraft bearing manufacturer's serial number FL-1303 (the "**Aircraft**"). Capitalized terms used but not defined herein shall have the meanings assigned to them in the Agreement. Purchaser hereby confirms that it has completed its Inspection of the Aircraft.

CHECK ONE:

_____ Subject to correction or repair by Seller, at Seller's sole cost and expense pursuant to Article 4.4 of the Agreement, of all Discrepancies (as such term is defined in the Agreement), the technical condition of the Aircraft is otherwise hereby accepted in accordance with the terms of the Agreement.

_____ The technical condition of the Aircraft is hereby rejected for the reasons set forth on Annex1.

Purchaser:

San Bernardino County

By: _____

Name: _____

Title: _____

cc: Insured Aircraft Title Service, via email

Annex 1

EXHIBIT B

AIRCRAFT DELIVERY RECEIPT

San Bernardino County, California (“**Purchaser**”) hereby acknowledges delivery and acceptance of that certain Textron Aviation, Inc., King Air B300 bearing manufacturer’s serial number FL-1303 (the “**Aircraft**”) from SOUTHERN CROSS AIRCRAFT, LLC (“**Seller**”), at ___o’clock (am / pm) local time on the ___ day of _____, 2024, at _____, pursuant to the terms and conditions of the Aircraft Purchase Agreement dated as of 08/20/2024, between Purchaser and Seller (the “**Agreement**”).

Purchaser hereby acknowledges that the Aircraft satisfies all the requirements, terms and conditions of the Agreement. By reason of the execution and delivery by Purchaser of this Aircraft Delivery Receipt, it is conclusively presumed that (i) Purchaser has approved and accepted the Aircraft and the Aircraft Documents (as defined in the Agreement) “**as is, where is**” in its then- current technical condition and state of repair, with all faults, limitations and defects (whether hidden or apparent), regardless of cause; and (ii) except for Seller’s warranty of title to the Aircraft and representations and warranties contained in the Agreement and the Warranty Bill of Sale, Seller has not made with respect to the condition of the Aircraft any representation, warranty or guaranty of any kind, express or implied, whether arising in law, in equity, in contract, or in tort, including, without limitation, any implied warranty of merchantability, airworthiness, design, condition, or fitness for a particular use.

TOTAL TIME AIRFRAME: _____ hours / _____ cycles

TOTAL TIME ENGINES:

Engine PCE-PK2777: _____ hours _____ cycles

Engine PCE-PK2778: _____ hours _____ cycles

Purchaser:

By: _____

Name: _____

Title: _____

EXHIBIT C

WARRANTY BILL OF SALE

KNOW ALL PERSONS BY THESE PRESENTS:

THAT SOUTHERN CROSS AIRCRAFT, LLC is the lawful owner of the full legal title to the following tangible personal property:

means (i) that certain Textron Aviation, Inc., King Air B300 airframe, manufacturer's serial number FL-1303, (the "**Airframe**"), together with two (2) installed Pratt and Whitney Corp engines bearing manufacturer's serial numbers PCE-PK2777 & PCE-PK2778, respectively (the "**Engines**"), and appurtenances, two (2) Hartzell Propeller Inc., model HC-B4MP-3C propellers, Serial Numbers FWA6656 & FWA6682 propellers, appliances, parts, avionics, instruments, components, accessions, furnishings, items of equipment and accessories and tool kits installed thereon or appurtenant thereto (collectively, the "**Aircraft**"); and

all documents and records relating to and/or required to be maintained with respect to the Aircraft, including, without limitation, all Airframe, Engines, and accessory logbooks, manuals, weight and balance manuals, tags, technical records, traceability records, task cards, information, overhaul records, maintenance records, wiring diagrams, drawings, data, completion manuals and any and all other records related to the Aircraft (collectively, the "**Aircraft Documents**").

THAT, effective August 20, 2024 for \$8,997,902.31 and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, SOUTHERN CROSS AIRCRAFT, LLC ("**Seller**"), a company organized under the laws of Florida, USA hereby grants, conveys, transfers, delivers and sets over all legal and beneficial right, title and interest in and to the Aircraft and the Aircraft Documents unto San Bernardino County ("**Purchaser**"), a governmental unit organized under the laws of California, USA and unto Purchaser's successors and assigns forever.

THAT, Seller hereby warrants to Purchaser, its successors and assigns, that there is hereby conveyed to Purchaser on this date good and marketable title to the Aircraft and the Aircraft Documents free and clear of any and all mortgages, liens, security interests, leases, claims, international interests, encumbrances and rights of others and Seller shall warrant and defend such title forever against all claims and demands whatsoever.

EXCEPT FOR SELLER'S WARRANTY OF TITLE TO THE AIRCRAFT AS SET FORTH IN THE AIRCRAFT PURCHASE AGREEMENT BETWEEN SELLER AND PURCHASER DATED AS OF August 20, 2024 ("**AGREEMENT**"), AND IN THIS WARRANTY BILL OF SALE, THE AIRCRAFT AND EACH PART THEREOF IS BEING SOLD AND DELIVERED TO PURCHASER IN "**AS IS, WHERE IS, WITH ALL FAULTS**" CONDITION ON THE CLOSING DATE, WITHOUT ANY REPRESENTATION, WARRANTY OR GUARANTY OF ANY KIND BEING MADE OR GIVEN BY SELLER, ITS SHAREHOLDERS, MEMBERS, DIRECTORS, OFFICERS, MANAGERS, AGENTS, EMPLOYEES OR ATTORNEYS, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE AND SELLER DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES WHETHER ARISING IN LAW, IN EQUITY, IN CONTRACT OR IN TORT, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, AIRWORTHINESS, DESIGN, CONDITION, OR FITNESS FOR A PARTICULAR USE. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT FOR SELLER'S WARRANTY OF TITLE TO THE AIRCRAFT AS SET FORTH IN THE AGREEMENT AND HEREIN, SELLER SHALL NOT BE LIABLE OR RESPONSIBLE TO PURCHASER FOR ANY DEFECTS, EITHER PATENT OR LATENT IN THE AIRCRAFT OR FOR ANY DIRECT OR INDIRECT DAMAGE TO PERSONS OR PROPERTIES RESULTING THEREFROM OR FOR PURCHASER'S LOSS OF USE OF OR A DIMINUTION IN VALUE OF THE AIRCRAFT OR FOR ANY INTERRUPTION IN PURCHASER'S BUSINESS CAUSED BY PURCHASER'S INABILITY TO USE THE AIRCRAFT FOR ANY REASON WHATSOEVER.

[Signature Page Follows]

IN WITNESS WHEREOF, SELLER has executed and delivered this instrument by its duly authorized signatory as of _____, 2024.

Aug 15, 2024

SOUTHERN CROSS AIRCRAFT, LLC
By: <u>PK</u>
Name: <u>Peter Hosmann</u>
Title: <u>Chief Operating Officer</u>

EXHIBIT D

Not Applicable

EXHIBIT E

SPECIFICATION

2022 King Air 360
Serial No. FL-1303
Reg No. N581MB

Total Time: 230 Hours / 155 Cycles
Left Engine: 230 Hours / 155 Cycles
Right Engine: 230 Hours / 155 Cycles
Left Propeller: 230 Hours
Right Propeller: 230 Hours
Warranty: Airframe, Avionics & Engines expires 9/28/2027, Propellers 9/28/25

Standard Equipment:

- Pro Line Fusion Integrated Flight Deck – Phase IV
- Collins radios with dual COM, dual NAV, single DME
- Dual TDR-94D solid-state Mode A/C/S Transponders with Flight ID and is ADS-B Out compliant with the DO-260B standard
- Collins TCAS-4100 TCAS II Traffic Collision Avoidance System compliant with Change 7.1 regulatory requirements
- Collins RTA-4112 MultiScan Color Doppler Radar
- Dual Integrated Collins FMS with WASS/LVP capability
- Solid State Cockpit Voice Recorder with 120 minute recording time
- Collins Aerospace iTAWS including Class A TAWS
- Artex C406-N ELT
- Electronic Charts (Subscription Required)
- Surface Management System
- IS&S ThrustSense Autothrottle
- IS&S ESIS
- Synthetic Vision Technology

Options Installed:

- Collins GWX-3001 Satellite Graphical Weather (Continental U.S. Coverage Only)

Exterior: Overall Matterhorn White with Cumulus Gray Pearl, Electric Red Pearl and Black stripes

Interior: *Modified* New Pewter Package with Athens Pewter Gray leather, Ansel Silver Gray fabric, Mountain Gray Waypoint vinyl headliner, Destination Mist LW carpet and Ebony Gloss laminate cabinet finishes

Cabin Amenities:

- Cabin seating for eight
- Left-hand forward refreshment center
- Four executive tables
- Right-hand aft belted flushing toilet
- 110-volt outlets and USB charging ports

EXHIBIT F

POST-CLOSING PAYMENTS

Post-closing, Seller shall release \$250,152.31 to the Inspection Facility to comply with the following as per attached quotation:

- 5 bladed propellers
- Ground AC cooling
- Engine mod

Additionally, Seller shall release \$263,600 to Flight Safety International or other training facility at Purchaser's direction for four (4) initial training events and (8) recurrent training events.



EXHIBIT G

CAMPAIGN CONTRIBUTION DISCLOSURE

(SB 1439)

DEFINITIONS

Actively supporting the matter: (a) Communicate directly with a member of the Board of Supervisors or other County elected officer [Sheriff, Assessor-Recorder-Clerk, District Attorney, Auditor-Controller/Treasurer/Tax Collector] for the purpose of influencing the decision on the matter; or (b) testifies or makes an oral statement before the County in a proceeding on the matter for the purpose of influencing the County's decision on the matter; or (c) communicates with County employees, for the purpose of influencing the County's decision on the matter; or (d) when the person/company's agent lobbies in person, testifies in person or otherwise communicates with the Board or County employees for purposes of influencing the County's decision in a matter.

Agent: A third-party individual or firm who, for compensation, is representing a party or a participant in the matter submitted to the Board of Supervisors. If an agent is an employee or member of a third-party law, architectural, engineering or consulting firm, or a similar entity, both the entity and the individual are considered agents.

Otherwise related entity: An otherwise related entity is any for-profit organization/company which does not have a parent-subsidary relationship but meets one of the following criteria:

- (1) One business entity has a controlling ownership interest in the other business entity;
- (2) there is shared management and control between the entities; or
- (3) a controlling owner (50% or greater interest as a shareholder or as a general partner) in one entity also is a controlling owner in the other entity.

For purposes of (2), "shared management and control" can be found when the same person or substantially the same persons own and manage the two entities; there are common or commingled funds or assets; the business entities share the use of the same offices or employees, or otherwise share activities, resources, or personnel on a regular basis; or there is otherwise a regular and close working relationship between the entities.

Parent-Subsidiary Relationship: A parent-subsidiary relationship exists when one corporation has more than 50 percent of the voting power of another corporation.

Contractors must respond to the questions on the following page. If a question does not apply respond N/A or Not Applicable.

1. Name of Contractor: Southern Cross Aircraft, LLC
2. Is the entity listed in Question No.1 a nonprofit organization under Internal Revenue Code section 501(c)(3)?

Yes If yes, skip Question Nos. 3-4 and go to Question No. 5 No

3. Name of Principal (i.e., CEO/President) of entity listed in Question No. 1, if the individual actively supports the matter and has a financial interest in the decision:

N/A

4. If the entity identified in Question No.1 is a corporation held by 35 or less shareholders, and not publicly traded ("closed corporation"), identify the major shareholder(s):

N/A

5. Name of any parent, subsidiary, or otherwise related entity for the entity listed in Question No. 1 (see definitions above):

Company Name	Relationship
N/A	

6. Name of agent(s) of Contractor:

Company Name	Agent(s)	Date Agent Retained if less than 12 months prior)
N/A		

7. Name of Subcontractor(s) (including Principal and Agent(s)) that will be providing services/work under the awarded contract if the subcontractor (1) actively supports the matter and (2) has a financial interest in the decision and (3) will be possibly identified in the contract with the County or board governed special district.

Company Name	Subcontractor(s):	Principal and//or Agent(s):
<u>N/A</u>		

8. Name of any known individuals/companies who are not listed in Questions 1-7, but who may (1) actively support or oppose the matter submitted to the Board and (2) have a financial interest in the outcome of the decision:

Company Name	Individual(s) Name
N/A	

9. Was a campaign contribution, of more than \$250, made to any member of the San Bernardino County Board of Supervisors or other County elected officer within the prior 12 months, by any of the individuals or entities listed in Question Nos. 1-8?

No If **no**, please skip Question No. 10.

Yes If **yes**, please continue to complete this form.

10. Name of Board of Supervisor Member or other County elected officer: N/A

Name of Contributor: N/A

Date(s) of Contribution(s): N/A

Amount(s): N/A

Please add an additional sheet(s) to identify additional Board Members or other County elected officers to whom anyone listed made campaign contributions.

By signing the Contract, Seller certifies that the statements made herein are true and correct. Seller understands that the individuals and entities listed in Question Nos. 1-8 are prohibited from making campaign contributions of more than \$250 to any member of the San Bernardino County Board of Supervisors or other County elected officer while award of the Contract is being considered and for 12 months after a final decision by the County.