

PURCHASE AGREEMENT

THIS AGREEMENT is made this 26 day of November, 2013, by and between the **CITY OF BOZEMAN**, a municipal corporation organized and existing under the laws of the State of Montana, 121 North Rouse Ave., Montana 59715, hereinafter referred to as "City," and Lenco Armored Vehicles, with a mailing address of 10 BETNR Industrial Dr. Pittsfield, Massachusetts, 01201, hereinafter referred to as ("Seller").

In consideration of the mutual promises and agreements hereinafter contained, the parties agree as follows:

1. **PROPERTY PURCHASED:** Seller agrees to sell and City agrees to purchase the property requested and described in the Quotation 10809, "Addendum A", from the Seller all of which is incorporated into this Purchase Agreement by this reference. By accepting this Purchase Agreement, Seller hereby agrees that the sale, use, or incorporation into manufactured products of all machines, software, hardware, materials and other devices furnished under this Purchase Agreement which are not of the Seller's design, composition, or manufacture shall be free and clear of infringement of any valid patent, copyright, or trademark. Seller shall hold the City harmless from any and all costs and expenses, including attorney fees, liability, and loss of any kind growing out of claims, suits, or actions alleging such infringement, and Seller agrees to defend such claims, suits, or actions.

The property being purchased ("Property") consists of:

LENCO BEARCAT ARMORED VEHICLE as shown on the quotation 10809, Addendum A, to include:

- (4) Roof Mounted Remote Control Spot Lights**
- Electric Power Heated Mirrors**
- Gun Port Upgrade to 7" vertical**
- Radio Prep Package**
- Seat Belts on Rear Bench Seats**
- Rear Auxiliary AC/Heat**
- Backup Camera**
- Intercom System**

TOTAL PRICE (including shipping): \$248,537

2. **SPECIFICATIONS:** The Seller agrees that all material and workmanship in and upon this Property complies with Addendum A as accepted by the City. Unless otherwise agreed to by the City, the items listed in Addendum A and Section 1 of this agreement, govern in the event of inconsistencies with the Seller's response to the same.

3. **PRICE:** The City agrees to pay Dollars (**\$248,537**) as the purchase price. All

Lenco Bearcat Armored Vehicle Purchase Agreement

prices include any applicable local, state or federal taxes that may be applied to the Property to be purchased. This price is firm and not subject to escalation under agreed to in writing by the City.

4. **DELIVERY AND PAYMENT:** Time is of the essence in the performance of this Purchase Agreement. Seller assumes full responsibility for all transportation, transportation scheduling, packing, handling, insurance, and other served associated with delivery of the Property.

Seller agrees to complete above-described Property in a fully operational status and all accessories properly installed no later than July 1, 2014. City shall send a representative to the Lenco Factory in Pittsfield, Maryland within 30 days of product completion on date mutually agreed upon between Seller and City. Delivery will occur no later than August 15, 2014 at the Law and Justice Center, located at 615 S. 16th Avenue, Bozeman, MT 59715, or at a place otherwise selected by City. If delivery of the Property and/or performance of services required under this Purchase Agreement cannot be made Seller shall promptly notify the City of the earliest possible date for delivery or performance. Notwithstanding such notice, if Seller for any reason fails to deliver the Property or perform required services within the time specific or to the City's satisfaction the City may terminate this Purchase Agreement or any part thereof without liability except or good or services previously provided and accepted. The City's receipt or acceptance of any part of a non-conforming delivery or service shall not constitute a waiver of any claim, right or remedy the City has under this Purchase Agreement or applicable law. Upon delivery and for a reasonable period thereafter, City has the right to inspect the Property to ensure that it meets Specifications as modified by Seller's responses accepted by City. If the Property meets the Specifications, City shall tender the purchase price stated above to Seller through the City's normal claim process. Unless otherwise agreed to in writing, payment terms shall be net thirty (30) days from the date of receipt of invoice or acceptance and delivery of goods and services by the City, whichever occurs last. Payment will be made to Seller at the address previously stated unless Seller provides a different address in writing. Invoices must be mailed to: Rich McLane, Deputy Chief of Police, 615 S. 16th, Bozeman, MT 59715.

5. **NONDISCRIMINATION:** Seller will not discriminate in the performance of this Agreement on the basis of race, color, religion, creed, sex, age, marital status, national origin, or because of actual or perceived sexual orientation, gender identity or disability and shall ensure this provision applies to all subcontracts let by the Seller in fulfillment of this Purchase Agreement.

6. **DEFAULT/ TERMINATION/ REMEDIES:** In the event of Seller's breach of this Purchase Agreement, including if Seller fails to deliver the Property as set forth herein or fails to meet City's Specifications, City may, at its option, take any or all of the following actions without prejudice to any other rights or remedies available to the City by law: (i) declare the Seller in default and immediately cancel and rescind this Purchase Agreement; (ii) require Seller to repair or replace any equipment or materials used in the Property, and upon Seller's failure or refusal to do so, repair or replace the same at Seller's expense; (iii) reject any material or

equipment included in the Property containing defective or nonconforming equipment or material and return for credit or replacement at Seller's option; or (iv) cancel any outstanding deliveries and treat such breach by Seller as Seller's repudiation of this Purchase Agreement. Thereafter, City may procure substitute property to replace the Property described herein. In such event, Seller is liable to City for the difference between the price set forth herein and the price paid by City for the replacement property. Additionally, the City may pursue any other remedy it has at law or in equity.

In the event of the City's breach hereunder, Seller's exclusive remedy shall be Seller's recovery of the material or equipment or of the Purchase Price or portion of the Purchase Price payable for equipment and material delivered to the City prior to such breach.

7. **CHANGE ORDERS:** The City shall have the right to revoke, amend, or modify this Purchase Agreement or the equipment or material included in the Quotation at any time. Seller's receipt of City's written change order without response received by the City within 10 (ten) business days or Seller's shipment or other performance reflecting the change, whichever occurs first, shall be Seller's acceptance of the change without any price or other adjustment.

8. **WARRANTY:** THE SELLER SHALL WARRANTY THE PROPERTY INCLUDING ALL COMPONENT PARTS IN ACCORDANCE WITH WARRANTY SPECIFICS LISTED IN ADDENDUM B AND SHALL ASSIGN TO THE CITY ALL WARRANTIES FOR ALL COMPONENT PARTS OF THE PROPERTY NOT WARRANTED BY SELLER. IN ADDITION TO ANY OTHER EXPRESSED OR IMPLIED WARRANTIES AND UNLESS OTHERWISE AGREED IN WRITING, SELLER ALSO WARRANTS THAT ALL EQUIPMENT DELIVERED HEREUNDER WILL BE NEW, SUITABLE FOR USE AS DESCRIBED, OF THE GRADE AND QUALITY SPECIFIED, FREE FROM ALL DEFECTS IN DESIGN, MATERIAL AND WORKMANSHIP; IN CONFORMITY WITH ALL SPECIFICATIONS FURNISHED; IN COMPLIANCE WITH ALL APPLICABLE FEDERAL, STATE AND LOCAL LAWS AND REGULATIONS AND FREE FROM ANY LIENS AND ENCUMBRANCES. THESE WARRANTIES SHALL NOT BE DEEMED TO EXCLUDE SELLER'S STANDARD WARRANTIES OR OTHER RIGHTS OR WARRANTIES WHICH THE CITY MAY HAVE OR OBTAIN.

9. **INSURANCE/INDEMNIFICATION:** The Seller shall insure the Property for a minimum of the purchase price against all damages during the delivery period per the specifications. In addition to and independent from the above, during the delivery period Seller shall defend, indemnify, and hold the City, its officers, employees, and agents harmless against claims, demands, suits, damages, losses, and expenses connected therewith that may be asserted or claimed against, recovered from or suffered by the City by reason of any injury or loss, including but not limited to, personal injury, including bodily injury or death, property damage, occasioned by, growing out of, or in any way arising or resulting from any intentional or negligent act on the part of Seller, its agents or employees. This provision shall survive delivery and acceptance by the city of the Property.

10. **ASSIGNMENT**: Seller may not delegate, subcontract, or assign any duties and services or assign any rights or claims under this Purchase Agreement without the express written consent of City.

11. **ENTIRE AGREEMENT**: This Agreement, including its appendices, if any, embodies the entire understanding between the parties relating to the subject matter contained herein. No agent or representative of either party has authority to make any representations, statements, warranties or agreements not herein expressed and all modifications or amendments of this Agreement, including the appendices, must be in writing and signed by an authorized representative of each of the parties hereto.

12. **APPLICABILITY**: This Agreement and any extensions hereof shall be governed and construed in accordance with the laws of the State of Montana, venue shall be in the Eighteen Judicial District, Gallatin County Montana, and the same is binding upon the parties, their heirs, successors, and assigns.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives the day and year first above written.

CITY OF BOZEMAN

S Carrie MacKinnon
Carrie MacKinnon, Contract Administrator
Lenco Armored Vehicles

By Chris A. Kukulski
Chris A. Kukulski, City Manager

APPROVED AS TO FORM:

By Greg Sullivan
Greg Sullivan, City Attorney

ADDENDUM A



Protecting Our Nation's Defenders™

10 Betnr Industrial Drive - Pittsfield, MA 01201
PH (413) 443-7359 - FAX (413) 445-7865

Quotation 10809

Quotation Date: 11/07/2013
Tax ID #: 04-2719777

BOLMT Bozeman Police Department 615 South 16 th Avenue Bozeman, MT 59771	Estimated Completion Date:	F.O.B.: Destination																																													
	No later than July 1, 2014	Ship Via: Common Carrier																																													
	Payment Terms: Lenco GSA Contract GS-07F-0390M																																														
	Lenco Does Not Collect Tax or Register Vehicles with DMV																																														
Inspection & Acceptance: In accordance with Purchase Agreement																																															
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<table border="1"> <thead> <tr> <th>Item:</th> <th>Product #</th> <th>Commercial</th> <th>GSA Net Price</th> </tr> </thead> <tbody> <tr> <td>Lenco BearCat (4WD, Rotating Hatch; Counter Balanced)</td> <td>BC55003</td> <td>\$197,250.00</td> <td>\$188,793.00</td> </tr> <tr> <td>US State Department Armor Level E</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="4">Options:</td> </tr> <tr> <td>BearCat G3 4-Wheel Off-Road Upgrade Pkg w/Run-Flats</td> <td>BC3WOFFRD</td> <td>29,210.00</td> <td>27,958.00</td> </tr> <tr> <td>Diesel Engine, 6.7L Turbo</td> <td>BCDLEN</td> <td>7,821.00</td> <td>7,486.00</td> </tr> <tr> <td>AC-DC Power Inverter 3,600 Watt w/ Battery Charge Feature</td> <td>BCPINV36</td> <td>5,686.00</td> <td>5,442.00</td> </tr> <tr> <td>4-Door Configuration (Rear Flip Seats Included)</td> <td>BC4DR</td> <td>8,210.00</td> <td>7,858.00</td> </tr> <tr> <td>Net Savings \$11,640.00</td> <td></td> <td>\$248,177.00</td> <td>\$237,537.00</td> </tr> <tr> <td colspan="2"></td> <td>FOB Bozeman, MT</td> <td>11,000.00</td> </tr> <tr> <td colspan="2">Total Cost of (1) Lenco BearCat FOB Bozeman, MT</td> <td></td> <td>\$248,537.00</td> </tr> </tbody> </table>				Item:	Product #	Commercial	GSA Net Price	Lenco BearCat (4WD, Rotating Hatch; Counter Balanced)	BC55003	\$197,250.00	\$188,793.00	US State Department Armor Level E				Options:				BearCat G3 4-Wheel Off-Road Upgrade Pkg w/Run-Flats	BC3WOFFRD	29,210.00	27,958.00	Diesel Engine, 6.7L Turbo	BCDLEN	7,821.00	7,486.00	AC-DC Power Inverter 3,600 Watt w/ Battery Charge Feature	BCPINV36	5,686.00	5,442.00	4-Door Configuration (Rear Flip Seats Included)	BC4DR	8,210.00	7,858.00	Net Savings \$11,640.00		\$248,177.00	\$237,537.00			FOB Bozeman, MT	11,000.00	Total Cost of (1) Lenco BearCat FOB Bozeman, MT			\$248,537.00
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Specifications Subject to Change

PROPRIETARY

WARNING: Information Subject to Export Control Laws

The technical data in this document is restricted by the Arms Export Control Act (Title 22, U.S.C., Sec 2751, et seq.) or the Export Administration Act of 1979, as amended, Title 50, U.S.C., App. 2401 et seq. and which may not be exported, released or disclosed to non-U.S. persons (i.e. persons who are not U.S. citizens or lawful permanent residents ["green card" holders]) inside or outside the United States, without first obtaining an export license. Violations of these export laws are subject to severe civil, criminal and administrative penalties.

THE WRITTEN APPROVAL OF THE DIRECTORATE OF US DEFENSE TRADE CONTROLS AND LENCO INDUSTRIES, INC. MUST BE OBTAINED BEFORE RESELLING, TRANSFERRING, TRANSSHIPPING, OR DISPOSING OF A DEFENSE ARTICLE TO ANY END USER, END USE OR DESTINATION OTHER THAN AS STATED ON THIS LENCO QUOTE OR THE SHIPPER'S EXPORT DECLARATION IN CASES WHERE AN EXEMPTION IS CLAIMED UNDER THIS SUBCHAPTER (ITAR 123.9(A)).

WE ARE PLEASED TO SUBMIT THE ABOVE QUOTATION FOR YOUR CONSIDERATION. SHOULD YOU PLACE AN ORDER, BE ASSURED IT WILL RECEIVE OUR PROMPT ATTENTION. THIS QUOTATION IS VALID FOR 30 DAYS. THEREAFTER, IT IS SUBJECT TO CHANGE WITHOUT NOTICE

ACCEPTANCE OF PROPOSAL — The above prices are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above

LENCO INDUSTRIES INC.

Authorized
signature _____

Authorized
Signature _____

Cary Maroni

Please sign and return

Cary Maroni

Thank You

ADDENDUM B



Protecting Our Nation's Defenders™

**LENCO ARMORED VEHICLE
LIMITED WARRANTY**

As used in this Limited Warranty, "Vehicle" means any Lenco armored vehicle; "you" and "your" means the purchaser of a Vehicle from Lenco Industries, Inc. or an authorized Lenco distributor; and "we", "us" and "our" means Lenco Industries, Inc.

Lenco-Manufactured Components. We will pay for repair or replacement of Vehicle components manufactured by us which prove to be defective within Three Years after the original purchaser of the Vehicle received delivery of the Vehicle from us or an authorized Lenco distributor, except that we will not be responsible for (i) any damage to the Vehicle or any component of the Vehicle caused by negligence, misuse, alteration or accident or (ii) normal maintenance of the Vehicle or any component of the Vehicle. To be eligible for such warranty coverage, you must follow the Procedures for Submission of Warranty Claims and Authorization of Warranty Work set forth below.

Components Manufactured by Others. If any component of the Vehicle (i) was manufactured by any person or firm other than us and (ii) is the subject of a written warranty by such other manufacturer, we will assist you in submitting to the manufacturer of any such component claims that such component proved to be defective during the applicable warranty period specified in the manufacturer's written warranty. Copies of all written warranties given by the manufacturers of parts or components of the Vehicle manufactured by persons or firms other than us will either be furnished to you at the time of delivery of the Vehicle or are available upon written request to us at 10 Betnr Industrial Drive, Pittsfield, MA 01201 or by e-mail to our Warranty Administrator, Mr. Steve Mix; e-mail: Steve@lencoarmor.com

Procedures for Submission of Warranty Claims and Authorization of Warranty Work. Except as otherwise specified below, warranty repairs or replacements for our components may be made by either an authorized Lenco service center or any repair shop mutually acceptable to you and us; in either case, the service center or repair shop must (i) contact us before any repair or replacement is undertaken and (ii) receive our written approval of the repair or replacement and the service center's or repair shop's charges for such repair or replacement. Requests for our approval should be directed to Warranty Department, Lenco Industries, Inc., 10 Betnr Industrial Drive, Pittsfield, MA 01201, (Tel. (413) 443-7359; Fax (413) 445-7865 or e-mail: warranty@lencoarmor.com). We reserve the right in any particular instance to require that repair or replacement of our components be performed either at our factory in Pittsfield, Massachusetts or at an authorized Lenco service center. You are responsible for freight or other transportation costs to and from our factory, an authorized Lenco service center or a repair shop performing repairs or replacements under this warranty.

Exclusion of Other Warranties. This warranty is in lieu of all other warranties, express or implied, and, in particular, we make **NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

Limitation of Remedies and Damages. Our repair or replacement of our components and assistance with the submission of warranty claims to manufacturers of components not manufactured by us, all as specified above, is your exclusive remedy for any and all claims against us, whether based on warranty, contract, tort, negligence, or any other theory. We are not liable for any incidental or consequential damages resulting from any defect in the Vehicle (including, without limitation, personal injury, loss of revenue, loss of anticipated profit, or any other loss or damage).