

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: December 08, 2017

CAO File No. 0220-05291-0048

Council File No. 17-0290

Council District: ALL

To: The Mayor
The Council

From: Richard H. Llewellyn, Jr., Interim City Administrative Officer

Reference: C.F. 17-0290

Subject: **REVISED EQUIPMENT LEASE-PURCHASE AGREEMENT TO FINANCE THE REPLACEMENT RADIOS**

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Adopt a Resolution authorizing the City to enter into an Equipment Lease-Purchase Agreement and various other related documents with Motorola Solutions, Inc. with a not-to-exceed principal and interest amount of \$64.5 million to finance the acquisition of 11,500 police handheld radios, 4,500 police vehicle radios, 3,500 fire handheld radios and related equipment necessary to operate the radios;
2. Authorize the Los Angeles Police Department to increase the number of vehicle radios from 3,000 to 4,500 for specialized vehicles, amending the 2016-17 Equipment List, and included in the Motorola Solutions Equipment Lease-Purchase Agreement;
3. Authorize the Los Angeles Fire Department to increase the number of handheld radios from 3,000 to 3,500 for training purposes, reserves in the event of loss or damage, and specialized assignments, amending the 2016-17 Equipment List, and included in the Motorola Solutions Equipment Lease-Purchase Agreement ;
4. Authorize the City Administrative Officer to negotiate and execute the Equipment Lease-Purchase Agreement and various other related documents;
5. Instruct the Information Technology Agency, with the assistance of the Police Department and the Fire Department, to report back in 120 days, to the Public Safety Committee for Council approval at the end of the Design Review Phase, on the timeline and implementation strategy for the radios; and,
6. Authorize the City Administrative Officer to make technical corrections and adjustments as necessary to implement the Mayor and City Council intentions.

SUMMARY

On March 16, 2017, the City Administrative Officer (CAO) issued a report entitled "Equipment Lease-Purchase Financing of Replacement Radios," relating to police and fire radios, and the proposed lease-purchase financing with Motorola Solutions (Motorola Lease). The Public Safety Committee considered this report on May 2, 2017, where a number of questions were asked requesting the Police Department (LAPD), the Fire Department (LAFD), the Information Technology Agency (ITA), and the CAO to report back on these questions. On November 9, 2017, the CAO released a report entitled "Report Back on Equipment Lease-Purchase Financing of Replacement Radios," addressing the Committee's questions and providing clarification to statements made in the original CAO report.

This report further clarifies concerns raised about the proposed financing in the Equipment Lease-Purchase Agreement with Motorola, and other issues relating to the warranty and the deployment schedule.

The CAO is requesting approval to enter into the revised Motorola Lease (see Attachment B) to finance the purchase of 11,500 police handheld radios, 4,500 police vehicle radios, 3,500 fire handheld radios and related equipment necessary to operate the radios, for a not-to-exceed principal amount of \$64.5 million.

The 2016-17 Adopted Budget included an equipment list authorizing the acquisition of 11,500 police handheld radios, 3,000 police vehicle radios, and 3,000 fire handheld radios for an estimated cost of up to \$91 million through a multi-year financing plan. Since then, LAPD identified a need to replace an additional 1,500 radios in its specialized unit vehicles because the life cycle of the current radios is near its end, and LAFD identified the need to replace an additional 500 radios for training purposes, reserves in the event of loss or damage, and specialized assignments. This financing and purchase would include these additional radios in the quantity included in the revised Motorola Lease, thus LAPD and LAFD are requesting the authority to amend the 2016-17 equipment list to authorize purchasing them.

After the technical comparison and user field testing were completed, LAPD requested Motorola Solutions and Harris/Dailey-Wells to submit their best financing offer that was requested to include five payments with the first payment due two years after contract execution, as originally contemplated in the 2016-17 Adopted Budget. The total cost from Motorola Solutions is lower than Harris/Dailey-Wells by approximately \$270,500. Motorola Solutions offered the City a municipal lease-purchase financing option to lease radios over a six-year period with an option to purchase. The total lease payments equal \$64.5 million with the first payment due two years after contract execution and annually thereafter. In March, 2017, the total lease payments included an original issue discount cost totaling approximately \$7.5 million, equivalent to 2.9 percent. Annual lease payments of \$12.9 million would begin in Fiscal Year 2019-20 with the final lease payment in Fiscal Year 2023-24.

Given the time lapse on the previously requested terms, the CAO continued to negotiate the lease terms with Motorola, LAPD, LAFD and ITA to ensure the best financing for the City based

on changing market conditions as well as the City's debt ratios, annual budget lease payments and the requirements requested by the departments. To reduce the annual lease payments without changing the total financing cost of \$64.5 million and to ensure debt capacity, the CAO received from Motorola Solutions an alternative financing option with lease payments of \$9.2 million annually beginning in Fiscal Year 2018-19 with the final lease payment in Fiscal Year 2024-25. The total lease payments include an original issue discount rate of 1.45 percent, totaling approximately \$3.5 million. The lease payments will be made from the Capital Finance Administration Fund.

Other proposed revisions to the Motorola Lease from the March 16 Report include:

1. Additional no-cost accessories described in the Equipment List (see Attachment C);
2. A seven year warranty extended from the proposed five year warranty at no additional cost (see Attachment D), described as:
 - o beginning at Deployment and terminating (1) at the end of seven years for the portable and mobile radios and (2) at the end of two years for batteries with Deployment occurring and the warranty period beginning when each radio or battery is put into service, based on the Council approved Deployment schedule;
 - o beginning for radios and batteries that were not initially installed by Motorola (i.e. spares, batteries, test units), Deployment would occur upon delivery of the equipment to the City's designated facilities (i.e. Fire Station); and,
 - o tracking the coverage term per portable radio, mobile radio, and battery, based on a unique identifier (i.e. serial number);
3. A provision guarantying that Motorola will not cancel the availability of maintenance services or parts for the City's leased equipment during the contract period, and Motorola will provide the option for maintenance service on the purchased radios up to (1) a minimum of five years beyond the announced product cancellation or (2) February 1, 2030, whichever is later (see Attachment D); and,
4. A provision that Motorola will work with the City to develop a methodology where product Technical Service Bulletins and preventative maintenance updates are provided in a timely manner to the City and where the City confirms the receipt of such information to ensure that the City and Motorola are working closely to educate the service providers and end users with information to keep the equipment in peak operating condition throughout its useful life (see Attachment D).

To ensure a successful deployment of the radios, ITA, with the assistance of LAPD and LAFD, will report back at the end of the Design Review Phase to the Public Safety Committee, for approval by the City Council, with timelines and an implementation strategy. This phase should be completed within 120 days.

Motorola's proposal is valid through December 22, 2017. If the City does not execute the municipal lease-purchase agreement and the related documents by December 22, 2017, the pricing quote and the financing is subject to change.

To proceed with this lease financing, the Mayor and City Council will need to adopt the Authorizing Resolution (Attachment A), which incorporates the Equipment Lease-Purchase Agreement (Attachment B).

This municipal lease-purchase financing will not cause the City's debt service payments to exceed six percent of General Revenues for non-voted approved debt as established in the City's Financial Policies, Debt Management Section. These recommendations are in compliance with the City's Financial Policies.

FISCAL IMPACT STATEMENT

The recommended actions would commit the City to pay Motorola Solutions, Inc., approximately \$64.5 million over seven years. Each annual lease payment of \$9.2 million will begin in Fiscal Year 2018-19 and will be paid from funds in the Capital Finance Administration Fund. The final lease payment will be made in Fiscal Year 2024-25

DEBT IMPACT STATEMENT

This municipal lease-purchase financing is a General Fund obligation. Each annual lease payment of \$9.2 million, beginning in Fiscal Year 2018-19, will be paid from funds in the Capital Finance Administration Fund. The final lease payment will be in Fiscal Year 2024-25. It will not cause the City's debt service payments to exceed six percent of General Revenues for non-voted approved debt as established in the City's Financial Policies, Debt Management Section.

RHLNRB:09180102

Attachments

- Attachment A – Authorizing Resolution
- Attachment B – Equipment Lease-Purchase Agreement
- Attachment C – Equipment List
- Attachment D – Warranty & Maintenance

Attachment A

Authorizing Resolution

**RESOLUTION OF THE CITY OF LOS ANGELES APPROVING OF THE
ACQUISITION OF CERTAIN EQUIPMENT AND AUTHORIZING THE
EXECUTION AND DELIVERY OF AN EQUIPMENT-LEASE PURCHASE
AGREEMENT AND OTHER MATTERS RELATED THERETO**

WHEREAS, the City of Los Angeles (the "City") is a municipal corporation duly organized and existing pursuant to its charter and the Constitution and laws of the State;

WHEREAS, the Council of the City (the "Council") is the governing body of the City;

WHEREAS, the Los Angeles Police Department ("LAPD") and the Los Angeles Fire Department ("LAFD") have determined that their current radio systems are nearing the end of their life cycle or have exceeded the end of their life cycle, and need to be replaced across the entire organization;

WHEREAS, the 2016-17 Adopted Budget authorized the acquisition of handheld radios and vehicle radios for LAPD and LAFD at an estimated cost up to a maximum of \$91 million;

WHEREAS, following a field tests of radios from Motorola Solutions, Inc. and Dailey-Wells Communications, LAPD and LAFD determined that it was more preferable to acquire 11,500 police handheld radios, 4,500 police vehicle radios and 3,500 fire handheld radios (the "Equipment") from Motorola Solutions, Inc. pursuant to a purchasing agent contract;

WHEREAS, the acquisition of the Equipment and replacement of the current radio systems across the entire organization is urgently needed for LAPD and LAFD to continue to effectively perform their duties and for the preservation of officer safety and the safety of the community;

WHEREAS, the Council has determined that a need exists for the acquisition of such Equipment; and

WHEREAS, to assist in the financing of such Equipment, the City desires to enter into an Equipment Lease-Purchase Agreement (including the attachments and schedules thereto, the "Lease Agreement") with Motorola Solutions, Inc., a form of which has been prepared and submitted to this meeting;

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE
CITY OF LOS ANGELES AS FOLLOWS:**

Section 1. The recitals herein contained are true and correct and the Council so finds.

Sec. 2. The acquisition of the Equipment is in the best interests of the City and is hereby approved.

Sec. 3. The Lease Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved. Each of the City Administrative Officer or any Assistant City Administrative Officer or a designee thereof (the "Authorized Officers") is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the City, to execute and deliver the Lease Agreement in substantially said form, and the City Clerk is authorized to attest thereto, with such changes, insertions and omissions therein as the Authorized Officer executing the Lease Agreement shall approve as he or she believes is in conformity with the interests of the City, and as approved as to form by the City Attorney, any Assistant City Attorney or Deputy City Attorney, such approval to be conclusively evidenced by such Authorized Officer's execution and delivery of the Lease Agreement with such changes, insertions and omissions; provided, however, that such changes, insertions and omissions shall not result in (a) the aggregate principal amount of the lease payments being greater than \$64,500,000, or (b) the term of the Lease Agreement ending later than seven years from the commencement date of the Lease Agreement (provided that such term may be extended as provided in the Lease Agreement).

Sec. 4. All prior acts and doings of the officials, agents and employees of the City which are in conformity with the purpose and intent to this Resolution and in furtherance of the acquisition of the Equipment, shall be and they are in all respects ratified, approved and confirmed.

Sec. 5. Each Authorized Representative is hereby authorized and directed, for and on behalf of the City, to execute and deliver any and all documents necessary or appropriate, and to take any and all actions necessary or desirable, to carry out the transactions contemplated by this Resolution, including but not limited to the execution and delivery of an arbitrage and tax certificate, all upon such terms as shall be satisfactory to such Authorized Representative.

Sec. 6. This Resolution shall take effect immediately upon its passage.

I hereby certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles at its meeting held on _____.

HOLLY L. WOLCOTT, City Clerk

By _____
Deputy

Attachment B

Equipment Lease-Purchase Agreement

EQUIPMENT LEASE-PURCHASE AGREEMENT

Draft Version

Lease Number: [_____]

Dated: December 22, 2017

LESSEE:

CITY OF LOS ANGELES
200 North Spring Street
Los Angeles, CA 90012

LESSOR:

MOTOROLA SOLUTIONS, INC
500 West Monroe St.
Chicago, IL 60661

This Equipment Lease-Purchase Agreement, together with Attachment A and Schedules A, B and C attached hereto and incorporated herein by this reference (collectively, this "Equipment Lease") sets forth the terms and conditions under which Lessor hereby leases to Lessee, and Lessee hereby accepts and leases from Lessor, certain equipment as described in Schedule A attached hereto (the "Equipment"). Lessee hereby agrees and covenants during the Lease Term (as hereinafter defined) that, except as hereinafter expressly provided, it shall use the Equipment solely for public and municipal purposes so as to afford the public the benefit contemplated by this Equipment Lease and further agrees that it shall not abandon the Equipment.

The Equipment described in this Equipment Lease is being acquired by Lessee from Motorola Solutions, Inc, as vendor ("Vendor") pursuant to a purchasing agent contract by and between Vendor and Lessee and a related contract purchase order executed by Vendor and Lessee (the "Procurement Contract"). On the Commencement Date (as defined below), Lessor will create an account receivable of \$64,500,000 for the Procurement Contract acquisition price of the Equipment and concurrently therewith, Lessor will sell and assign Lessor's right, title and interest in and to this Equipment Lease and the Equipment (including Lessor's right to receive Lease Payments (as defined below) as and when due hereunder) to Motorola Solutions Credit Company LLC ("Motorola Credit") in exchange for \$[_____] (the "Funded Amount"), which Lessor hereby represents and warrants is a fair market acquisition price for the sale and assignment by Lessor to Motorola Credit of Lessor's right, title and interest in and to this Equipment Lease and the Equipment, and which amount was calculated by Lessor and Motorola Credit using an imputed original issue discount rate of [1.45]%¹. Such sale and assignment by Lessor to Motorola Credit, and any subsequent sale and assignment by Motorola Credit to another party are each subject to the limitations set forth in Section 15 of this Equipment Lease (Motorola Credit being the initial "Assignee" and any future assignee of Lessor's right, title and interest in and to this Equipment Lease and the Equipment are each referred to hereinafter as an "Assignee"). Lessor will accept the Funded Amount as payment in full of the account receivable of \$64,500,000 for the Procurement Contract acquisition price of the Equipment in consideration

¹ The imputed original issue discount rate is a discount rate equal to the applicable Federal mid-term rate for [_____] 2017, compounded semiannually, as specified in Sections 1274 and 1288 of the Internal Revenue Code of 1986, as amended, for determining the imputed principal portion of the Lease Payments (which, under Section 1274 of the Code shall be equal to the sum of the present values of all Lease Payments due under this Equipment Lease determined in the manner provided by regulations prescribed by the Secretary as of the date of the sale or exchange and by using the discount rate specified above).

of Lessee entering into this Equipment Lease, and Lessee is entering into this Equipment Lease in consideration of the initial Assignee paying the Funded Amount and Lessor's acceptance of the Funded Amount as payment in full of the account receivable of \$64,500,000 for the Procurement Contract acquisition price of the Equipment.

1. Lease Term. This Equipment Lease will become effective and the term of this Equipment Lease (the "Lease Term") will commence upon, and the Funded Amount shall be paid by the initial Assignee and accepted by Lessor as payment in full of the account receivable of \$64,500,000 for the Procurement Contract acquisition price of the Equipment upon, the execution hereof by Lessor and Lessee on December 22, 2017 (the "Commencement Date"), and will terminate on February 1, 2025, which is the final scheduled Lease Payment due date set forth on Schedule B attached hereto, unless such date and the corresponding term of this Equipment Lease is terminated or extended as hereinafter provided. If on February 1, 2025, the Lease Payments payable hereunder shall have been abated at any time and for any reason, then the Lease Term shall be extended for a period equal to the period the obligation to make Lease Payments was abated pursuant to Section 12 hereof, but in no event shall the term of this Equipment Lease be extended later than the then remaining economic useful life of the Equipment, as originally represented by Lessor in Section 6 hereof or as later certified by Lessor to Lessee in writing. If prior to February 1, 2025, the principal portion of all remaining unpaid Lease Payments is prepaid in accordance with Section 18, the Lease Term of this Equipment Lease shall thereupon terminate.

2. Lease Payments; Covenant to Budget and Appropriate. (a) Subject to Sections 12 and 18 of this Equipment Lease, Lessee agrees to pay to Lessor or its Assignee, as rental for the beneficial use and enjoyment of the Equipment during each Rental Period, the Lease Payments (herein so called) in the amounts and on the due dates specified on Schedule B attached hereto. As used herein, "Rental Period" means each twelve-month period during the Lease Term, in the case of the first Rental Period, commencing on the Commencement Date and ending on the day immediately preceding the first Lease Payment due date set forth on Schedule B attached hereto and thereafter, commencing on each Lease Payment due date set forth on Schedule B attached hereto and ending on the day immediately preceding the next succeeding Lease Payment due date set forth on Schedule B attached hereto. A portion of each Lease Payment is paid as and represents the payment of original issue discount as set forth on Schedule B attached hereto. Lessee acknowledges that its obligation to pay Lease Payments including the original issue discount portion thereof accrues as of the Commencement Date. The Lease Payments will be payable without notice or demand at the office of Lessor (or such other place as Lessor or its Assignee may from time to time designate in writing), and will commence on the first Lease Payment due date set forth on Schedule B attached hereto (the "Lease Payment Commencement Date") and thereafter on each of the Lease Payment due dates set forth in Schedule B attached hereto. Lessee agrees to pay the Lease Payments from Legally Available Funds (as hereinafter defined), and represents that any such Lease Payments shall constitute fair consideration for the beneficial use and enjoyment of all Equipment delivered and accepted and made available for Lessee's beneficial use and enjoyment for each respective Rental Period. Each Lease Payment for the Equipment shall be payable in any Rental Period only to the extent Lessee has the beneficial use and enjoyment of the Equipment during such Rental Period. Any Lease Payment received later than sixty (60) days from the Lease Payment due date set forth in

Schedule B attached hereto will bear interest at a rate of 6% per annum from such Lease Payment due date until paid, limited, however, to the maximum amount allowed by law.

(b) So long as Lessee has the right to the beneficial use and enjoyment of the Equipment, and subject to Section 12 of this Equipment Lease, the obligations of Lessee to make Lease Payments for the Equipment or pay any other amounts due hereunder, and to perform and observe covenants and agreements contained therein, shall be absolute and unconditional under any and all circumstances subject to the terms and conditions of this Equipment Lease and without notice or demand by Lessor, notwithstanding any dispute between or among Lessee and Lessor, the Vendor, the manufacturer, seller or supplier of the Equipment or any other person.

(c) Lessee's obligation to make Lease Payments or pay any other amounts due hereunder, subject to the terms and conditions of this Equipment Lease, shall constitute a current obligation payable exclusively from any funds that the governing body of Lessee duly appropriates or are otherwise legally available for the purpose of making such payments (the "Legally Available Funds"), and shall not be construed to be an indebtedness within the meaning of any applicable constitutional or statutory debt limitation or requirement. Lessee has not pledged its full faith and credit or its taxing power to make any Lease Payments or pay any other amounts due hereunder.

(d) Lessee hereby covenants to take such action as may be necessary to include all Lease Payments due hereunder in its annual budgets and to make the necessary annual appropriations for all such Lease Payments. In so providing for the payment of Lease Payments in its annual budgets, Lessee may take into account Legally Available Funds (including the net proceeds of insurance) that are properly available to make such Lease Payments. The covenants on the part of Lessee herein contained shall be deemed to be and shall be construed to be ministerial duties imposed by law and it shall be the duty of each and every public official of Lessee to take such action and do such things as are required by law in the performance of the official duty of such official to enable Lessee to carry out and perform the covenants and agreements in this Equipment Lease agreed to be carried out and performed by Lessee. The obligations of Lessee to make Lease Payments do not constitute obligations for which Lessee is obligated to levy or pledge any form of taxation or for which Lessee has levied or pledged any form of taxation. The obligation of Lessee to make Lease Payments does not constitute an indebtedness of Lessee, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

(e) Lessee shall not assert any right of set-off, defense, counterclaim, or recoupment for any reason whatsoever with respect to this Equipment Lease, except that Lessee may assert any right of set-off available to it as specifically provided in Section 264 of the City of Los Angeles Charter. To the extent permitted by applicable law, Lessee hereby waives any and all rights that it may now have or that at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Equipment Lease or any of the items of Equipment except in accordance with the express terms hereof.

(f) Such payments of Lease Payments and other amounts payable hereunder during the Lease Term shall constitute the total rental for each Rental Period during the Lease Term and shall be paid by Lessee in each Rental Period for and in consideration of the right of

beneficial use and enjoyment of the Equipment during each such Rental Period for which said rental is to be paid. The parties hereto have agreed and determined that such Lease Payments payable for each Rental Period do not exceed the fair rental value of the Equipment for each such Rental Period. In making such determination, consideration has been given to costs of acquisition, installation and financing of the Equipment, the market value of the Equipment, other obligations of the parties hereunder, the uses and purposes which may be served by the Equipment and the benefits therefrom which will accrue to Lessee and the general public.

(g) If Lessee pays or prepays all remaining Lease Payments in full, Lessee's obligations under this Equipment Lease shall thereupon cease and terminate, including but not limited to Lessee's obligation to pay Lease Payments under this Section 2. If Lessee is required to prepay the principal portion of the unpaid Lease Payments in part but not in whole pursuant to Section 18(a) of this Equipment Lease as a result of any insurance award with respect to any portion of the Equipment, such prepayment shall be credit entirely towards the prepayment of the principal portion of the unpaid Lease Payments allocable to such Equipment on a pro rata basis. Notwithstanding the foregoing, prior to the termination of Lessee's obligations under this Equipment Lease, Lessee must deliver to Lessor an opinion of bond counsel to the effect that the provisions for such prepayment and release of this Equipment Lease shall not adversely affect the tax-exempt status of the original issue discount portion of the unpaid Lease Payments payable under this Equipment Lease.

3. Delivery and Acceptance. Lessee will accept any portion of the Equipment for purposes of this Equipment Lease as soon as it has been delivered so long as the Equipment is operational and conforms to the specifications of the Procurement Contract, and upon such delivery, the Equipment shall be deemed to be available for Lessee's beneficial use and enjoyment under this Equipment Lease. When all of the Equipment has been delivered and accepted by Lessee, Lessee shall evidence its acceptance of the Equipment by executing and delivering to Lessor a Final Delivery and Acceptance Certificate substantially in the form attached hereto as Schedule C. All of the Equipment must be delivered and accepted at least six months prior to the first Lease Payment due date set forth on Schedule B attached hereto.

4. Disclaimer of Warranties; Limitation of Liability. Lessee acknowledges that the Equipment is being manufactured and installed by the Vendor and in connection therewith, Vendor is providing to Lessee a seven year extended warranty with respect to the Equipment and is also providing to Lessee a seven year service and maintenance plan with respect to the Equipment. Vendor has also agreed to provide support availability for the Equipment until the later of (x) the end of the Lease Term of this Equipment Lease and (y) five (5) years beyond the last day the particular model of the Equipment is sold by the Vendor. Lessee acknowledges that on or prior to the date of acceptance of the Equipment, Lessor intends to sell and assign Lessor's right, title and interest in and to this Equipment Lease and the Equipment to the initial Assignee. LESSEE FURTHER ACKNOWLEDGES THAT EXCEPT AS EXPRESSLY SET FORTH IN THE PROCUREMENT CONTRACT, NEITHER LESSOR NOR ANY ASSIGNEE MAKES ANY EXPRESS OR IMPLIED WARRANTIES OF ANY NATURE OR KIND WHATSOEVER, AND AS BETWEEN LESSEE, ON ONE HAND, AND LESSOR OR ANY ASSIGNEE, ON THE OTHER, THE EQUIPMENT SHALL BE ACCEPTED BY LESSEE "AS IS" AND "WITH ALL FAULTS". LESSEE AGREES TO SETTLE ALL CLAIMS DIRECTLY WITH VENDOR AND WILL NOT ASSERT OR SEEK TO ENFORCE ANY

SUCH CLAIMS AGAINST ANY ASSIGNEE. NEITHER LESSOR NOR ANY ASSIGNEE SHALL BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY CHARACTER AS A RESULT OF THE LEASE OF THE EQUIPMENT, INCLUDING WITHOUT LIMITATION, LOSS OF PROFITS, PROPERTY DAMAGE OR LOST PRODUCTION WHETHER SUFFERED BY LESSEE OR ANY THIRD PARTY. Lessee covenants and agrees not to assert against any Assignee any claims or defenses by way of set-off, counterclaim, recoupment or the like which Lessee may have against Vendor, except that Lessee may assert any right of set-off available to it as specifically provided in Section 264 of the City of Los Angeles Charter. Neither Lessor nor any Assignee is responsible for, and neither Lessor nor any Assignee shall be liable to Lessee for, damages relating to loss of value of the Equipment for any cause or situation (including, without limitation, governmental actions or regulations or actions of other third parties).

5. Lessee's Representations and Warranties. Lessee represents, warrants and covenants on the Commencement Date that: (a) the execution, delivery and performance by Lessee of this Equipment Lease has been duly authorized by all necessary action on the part of Lessee; (b) this Equipment Lease constitutes a legal, valid and binding obligation of Lessee enforceable in accordance with its terms; (c) Lessee will comply with the information reporting requirements of Section 149(e) of the Internal Revenue Code of 1986, as it may be amended from time to time (the "Code"), and such compliance shall include but not be limited to the execution of information statements requested by Lessor; (d) Lessee will be the only entity to own, and Lessee's employees will be the only persons to use and operate, the Equipment during the Lease Term; (e) Lessee will do or cause to be done all things necessary to preserve and keep this Equipment Lease in full force and effect, (f) Lessee has complied with all applicable local, state and federal laws including without limitation laws regarding open meetings and public bidding, and by due notification presented this Equipment Lease and each Lease for approval and adoption as a valid obligation on its part, (g) Lessee has or will have sufficient funds available to pay all amounts hereunder as and when due and (h) the Equipment will be used for one or more authorized governmental or proprietary functions essential to Lessee's proper, efficient and economic operation.

6. Tax and Arbitrage Representations. Lessee further represents and covenants on the Commencement Date as follows: (a) the estimated total costs of the Equipment will not be less than the total principal portion of the Lease Payments set forth in Schedule B attached hereto; (b) no proceeds of this Equipment Lease will be used to reimburse Lessee for expenditures made more than 60 days prior to the Commencement Date or, if earlier, more than 60 days prior to any official action taken to evidence an intent to finance on a federally tax-exempt basis; (c) Lessee has not created or established, and does not expect to create or establish, any sinking fund or similar fund (i) that is reasonably expected to be used to pay the Lease Payments, or (ii) that may be used solely to prevent a default in the payment of the Lease Payments; (d) the Equipment has not been and is not expected to be sold or otherwise disposed of by Lessee, either in whole or in part, prior to the last maturity of Lease Payments set forth on Schedule B attached hereto; (e) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, this Equipment Lease to be an arbitrage bond within the meaning of Section 148(a) of the Code; (f) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, this Equipment Lease to be a private activity bond within the meaning of Section 141(a) of the Code; (g) Lessee will not do or cause to be done any

act which will cause, or by omission of any act allow, the original issue discount portion of the Lease Payments to be or become includable in Lessor's gross income for Federal income taxation purposes under the Code and (h) all of the Equipment is expected to be delivered and accepted at least six (6) months prior to the first Lease Payment due date set forth on Schedule B attached hereto.

Lessor represents on the date hereof that the economic useful life of the Equipment is not less than eight (8) years. Lessor acknowledges that the representation contained in the preceding sentence will be relied upon by Lessee in making certain of the representations contained in the Arbitrage and Tax Certificate delivered by Lessee to Lessor in connection with this Equipment Lease, and Lessor further understands that bond counsel to Lessee may rely upon the representation contained in the preceding sentence, among other things, in providing an opinion with respect to the exclusion from gross income of the original issue discount portion of the Lease Payments pursuant to Section 103 of the Code. Lessor shall provide a representation substantially in the form, and an acknowledgement substantially in the form, set forth in the second preceding sentence to Lessee as to the economic useful life of any items of equipment added to the Equipment from time to time.

Lessee acknowledges that any breach by Lessee of the covenants contained in Section 5 or this Section 6 of this Equipment Lease may cause the original issue discount portion of Lease Payments to become includable in gross income of the owner or owners thereof for federal income tax purposes. Upon an Event of Taxability, notwithstanding anything to the contrary contained in Section 11 of this Equipment Lease, Lessee agrees to pay promptly after any such Event of Taxability and on each Lease Payment due date set forth on Schedule B attached hereto thereafter to Lessor an amount equal to the difference between (A) the amount of the original issue discount portion of such Lease Payment that would have been paid to Lessor during the period for which the original issue discount portion of such Lease Payment is includable in the gross income of Lessor if such original issue discount portion had been calculated at a rate equal to the Taxable Gross Up Rate, beginning on the Taxable Date (the "Taxable Period"), and (B) the amount of the original issue discount portion of such Lease Payment actually paid to Lessor during the Taxable Period. As used above, "Event of Taxability" means any breach by Lessee of the covenants contained in Section 5 or this Section 6 of this Equipment Lease which has the effect of causing the original issue discount portion of Lease Payments to become includable, in whole or in part, in the gross income of Lessor for federal income tax purposes. "Taxable Date" means the date on which the original issue discount portion of Lease Payments is first includable in gross income of Lessor as a result of an Event of Taxability as such a date is established pursuant to a Determination of Taxability. "Taxable Gross-Up Rate" means, with respect to a Taxable Period, the product of (i) the rate utilized to establish the original issue discount portion of Lease Payments during such period and (ii) 1.54. "Determination of Taxability" means and shall be deemed to have occurred on the first to occur of the following: (i) on the date when Lessee files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred; (ii) on the date when Lessor has received written notification from Lessee, supported by a written opinion by an attorney or firm of attorneys of recognized standing on the subject of tax exempt municipal finance, to the effect that an Event of Taxability has occurred; (iii) on the date when Lessee shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a

substantially similar function from time to time) that based upon filings of Lessee (or a statutory notice of deficiency, or a document of substantially similar import), or upon any review or audit of Lessee or upon any other ground whatsoever, an Event of Taxability shall have occurred; or (iv) on the date when Lessee shall receive notice from Lessor that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of Lessor the original issue discount portion of any Lease Payment due to the occurrence of an Event of Taxability; *provided, however*, no Determination of Taxability shall occur under subparagraph (iii) or (iv) above unless Lessee has been afforded the opportunity, at its expense, to contest any such assessment within a reasonable period of time after the occurrence of any such Event of Taxability, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined. Notwithstanding anything herein to the contrary, any additional amount payable by Lessee pursuant to this Section 6 shall be payable solely from Legally Available Funds, subject to Section 12 of this Equipment Lease.

7. Title to Equipment; Security Interest. It is Lessor's and Lessee's intention that this Equipment Lease not constitute a "true" lease for federal income tax purposes and, therefore, it is Lessor's and Lessee's intention that Lessee be considered the owner of the Equipment for federal income tax purposes. Upon delivery of any Equipment to Lessee hereunder, title to such Equipment will vest in Lessee, as the owner of the leasehold interest in the Equipment pursuant to this Equipment Lease, subject to any security interest therein granted to Lessor under this Section 7, unless Lessor (or its Assignee) terminates this Equipment Lease pursuant to Section 17 hereof, in which event title to such Equipment shall immediately vest in Lessor (or its Assignee) free and clear of any right, title or interest of Lessee. In order to secure all of its obligations hereunder, Lessee hereby (x) grants to Lessor a first priority security interest in any and all right, title and interest of Lessee in the Equipment and in all additions, attachments, accessions, and substitutions thereto, and on any proceeds therefrom; (y) agrees that Lessor or any Assignee may file such financing statements as necessary to evidence or perfect such security interest; and (z) agrees to execute and deliver all financing statements, certificates of title and other instruments reasonably requested by Lessor or any Assignee to evidence such security interest. Upon payment of all of the Lease Payments as the same become due and payable, Lessor will transfer any and all of its right, title and interest in all of the Equipment to Lessee "AS IS", WITHOUT WARRANTY, express or implied, except that the Equipment shall be free and clear of any liens created by Lessor.

8. Use; Repairs; Quiet Enjoyment. Lessee will use the Equipment in a careful manner for the use contemplated by the manufacturer of the Equipment and shall comply with all laws, ordinances, insurance policies and regulations relating thereto, and will pay all costs, claims, damages, fees and charges arising out of the possession, use or maintenance of the Equipment. Lessee, at its expense, will keep the Equipment in good repair and furnish all parts, mechanisms and devices required therefor. Vendor is providing to Lessee a seven year extended warranty with respect to the Equipment and is also providing to Lessee a seven year service and maintenance plan with respect to the Equipment, and Lessee intends to satisfy its obligations under this Section 8 with such warranty and service and maintenance plan. During the Lease Term, Lessor shall provide Lessee with enjoyment of the Equipment, and Lessee shall during such Lease Term peaceably and quietly have and hold and enjoy the Equipment, without suit, trouble or hindrance from Lessor, except as expressly set forth in this Equipment Lease.

Notwithstanding the foregoing, Lessor shall have the right to inspect the Equipment as provided in Section 10 below.

9. Alterations. Lessee will not make any alterations, additions or improvements to the Equipment without Lessor's prior written consent unless such alterations, additions or improvements may be readily removed without damage to the Equipment.

10. Inspection. To the extent necessary to fulfill Lessee's governmental purposes and subject to maintaining the tax-exempt status of the original issue discount portion of the unpaid Lease Payments payable under this Equipment Lease, the Equipment may be used throughout the United States of America, but in all cases, Lessee shall maintain a method of tracking and inventorying the Equipment. Lessor will be entitled to inspect the Equipment during normal business hours upon reasonable prior written notice to Lessee.

11. Liens and Taxes. Lessee shall keep the Equipment free and clear of all levies, liens and encumbrances, except those created hereunder. Lessee shall pay, when due, all charges and taxes (local, state and federal) which may now or hereafter be imposed upon the ownership, leasing, rental, sale, purchase, possession or use of the Equipment, excluding however, all taxes on or measured by Lessor's income. If Lessee fails to pay said charges and taxes when due, Lessor shall have the right, but shall not be obligated, to pay said charges and taxes. If Lessor pays any charges or taxes, Lessee shall reimburse Lessor therefor within thirty (30) days of written demand as additional rental in addition to the Lease Payments.

12. Rent Abatement; Damage and Destruction and Use of Proceeds of Insurance.

(a) Lease Payments shall be abated during any period in which by reason of loss, damage, destruction or otherwise there is substantial interference with the use and possession by Lessee of the Equipment, so that the remaining Lease Payments and any other amounts payable hereunder then due for the use of the Equipment that was not affected are not greater than the fair rental for use of the unaffected Equipment. Lessee and Lessor shall calculate the rental abatement amount on an annual basis taking into account the entire twelve-month period of the Rental Period within which the damage or destruction occurs. If at any time it shall be necessary to calculate rental abatement, for purposes of calculation for any twelve-month period of a Rental Period, the total amount of Lease Payment payable within such twelve-month period shall be divided by 365 days (except for the Rental Period including February 29, 2020, in which case the divisor shall be 366 days). The maximum amount of daily rental abatement for such twelve-month period shall not exceed the result of such calculation. Such abatement shall continue for the period commencing with such interruption of use and ending with the substantial completion of the work of repair or replacement. In the event of any such interruption of use, this Equipment Lease shall continue in full force and effect and the Lease Payments shall not be subject to abatement under this Section 12 to the extent that the proceeds of rental interruption insurance or other amounts are made available to pay Lease Payments which would otherwise be abated under this Section 12, it being hereby declared that such proceeds and amounts constitute special funds for the payment of the Lease Payments.

(b) If any item of Equipment is damaged in a manner which substantially interferes with its use, such Equipment shall be promptly repaired or replaced at Lessee's

expense, unless (i) such damage, together with other components of the Equipment lost, damaged or destroyed, would not result in the abatement of any portion of the Lease Payments because, for example, the fair rental value of the remaining useable Equipment is sufficient to support the Lease Payments unabated, or (ii) Lessee elects to apply the proceeds of insurance and other legally available funds to the prepayment of the principal portion of the unpaid Lease Payments pertaining to the Equipment lost, damaged or destroyed such that the Lease Payments to be made on the undamaged Equipment will not exceed the fair market value for each Rental Period over the remaining term of this Equipment Lease.

(c) All risk of loss, damage, theft or destruction to each item of Equipment shall be borne by Lessee. Lessee is mitigating such risk of loss, damage, theft or destruction by maintaining the insurance required by Section 13 of this Equipment Lease. Lessee shall use the proceeds of any purchased insurance to accomplish one of the following purposes in the event of the loss or destruction of or unrepaired damage to any portion of the Equipment which would otherwise result in abatement of all or a portion of the Lease Payments: (i) to acquire replacement Equipment or repair diligently (at Lessee's cost) Equipment having an economic useful life not less than the remaining Lease Term of the Equipment so lost, destroyed or damaged to be and become subject to this Equipment Lease at a cost such that the fair market rental value of the Equipment leased pursuant to this Equipment Lease (including such replacement Equipment) for each remaining Rental Period is not less than the Lease Payments for each Rental Period over the remaining term of this Equipment Lease; (ii) to apply an amount (not less than \$50,000) sufficient, under Section 18(a) of this Equipment Lease, to purchase the portion of the Equipment so destroyed or irreparably damaged, said amount to be used as a special fund for prepayment of the principal portion of the unpaid Lease Payments pertaining to the Equipment destroyed or irreparably damaged; or (iii) to apply such funds to the prepayment of the principal portion of the unpaid Lease Payments pursuant to Section 18(a) of this Equipment Lease so that the Lease Payments to be made on the remaining Equipment will not exceed the fair market rental value for each Rental Period over the remaining term of this Equipment Lease.

(d) To the extent that an event of loss, destruction or unrepaired damage should result in an abatement of Lease Payments pending the acquisition of replacement Equipment pursuant to Section 12(c)(i) above, Lessee may substitute replacement Equipment for the Equipment so lost, destroyed or damaged to be and become subject to this Equipment Lease, such replacement Equipment having a fair rental value such that the fair rental value of the Equipment leased pursuant to this Equipment Lease (including such replacement Equipment) for each remaining Rental Period is not less than the Lease Payments and any other amounts payable hereunder for each Rental Period over the remaining term of this Equipment Lease. Lessee may also make such a substitution of Equipment as an alternative to taking the actions described in Section 12(c)(i) and (ii) above.

13. Insurance; Rental Interruption. (a) Lessee will, at its expense, maintain at all times during the Lease Term, fire and extended coverage insurance with respect to the Equipment in such amounts, covering such risks, and with such insurers as shall be reasonably satisfactory to Lessor. Such insurance may and is expected to be satisfied by a risk retention program. All insurance covering loss of or damage to the Equipment shall be carried in an amount no less than the lesser of the amount of the then applicable Balance Payment set forth on

Schedule B attached hereto and 100% of the replacement cost of the Equipment. The initial amount of insurance required shall be as set forth in Schedule B attached hereto. Each insurance policy, if any, will name Lessee as an insured and Lessor or its Assignees as an additional insured and loss payee, and will contain a clause requiring the insurer to give Lessor prior written notice of any alteration in the terms of such policy or the cancellation thereof as permitted under the terms of such policy. The net proceeds of any such insurance policy will be payable to Lessee and Lessor or its Assignees as their interests may appear. Upon acceptance of the Equipment and upon each policy renewal date, as applicable, Lessee will deliver to Lessor a certificate evidencing such insurance. In the event that Lessee is insuring against any or all such risks by a risk retention program, Lessee will furnish Lessor with a letter or certificate to such effect. In the event of any loss, damage, injury or accident involving the Equipment, Lessee will promptly provide Lessor with written notice thereof and make available to Lessor all information and documentation relating thereto.

(b) Lessee will, at its expense, maintain at all times during the Lease Term, public liability and property damage insurance in amounts reasonably satisfactory to Lessor protecting Lessee and Lessor from liabilities for injuries to persons and damage to property of others relating in any way to any Equipment. Such insurance may and is expected to be satisfied by a risk retention program.

(c) Lessee shall maintain or cause to be maintained at its expense, throughout the Lease Term, rental interruption or use insurance with coverage equal to the maximum total Lease Payments payable by Lessee hereunder for any consecutive twelve (12) month period during the Lease Term insuring against abatement of Lease Payments payable by Lessee resulting from Lessee's loss of beneficial use or enjoyment of the Equipment hereunder or any substantial portion thereof and caused by any and all perils, either insured or uninsured, including acts of God. Such insurance may be maintained in conjunction with or separate from any other similar insurance carried by Lessee. The net proceeds of such insurance policy shall be payable to Lessee and Lessor or its Assignees as their interests may appear in amounts equal to such abatement, if any, during the restoration period, in the order in which such abated Lease Payments come due and payable. Each insurance policy, if any, will name Lessee as an insured and Lessor or its Assignees as an additional insured and loss payee, and will contain a clause requiring the insurer to give Lessor prior written notice of any alteration in the terms of such policy or the cancellation thereof as permitted under the terms of such policy. Upon acceptance of the Equipment and upon each policy renewal date, Lessee will deliver to Lessor a certificate evidencing such insurance.

14. Indemnification. Lessee shall, to the extent permitted by law, indemnify, defend and hold Lessor harmless against any and all claims, actions, proceedings, expenses, damages or liabilities, including reasonable attorneys' fees and court costs, arising in connection with this Equipment Lease, including, but not limited to, its selection, purchase, delivery, possession, use, operation, rejection, or return and the recovery of claims under insurance policies thereon; provided, however, that Lessee shall not be required to indemnify Lessor pursuant to this Section 14 for any claims, actions, proceedings, expenses, damages or liabilities to the extent, but only to the extent, caused by the willful misconduct or active negligence of Lessor.

15. Assignment. Without Lessor's prior written consent, Lessee will not (a) assign, transfer, pledge, hypothecate, grant any security interest in or otherwise dispose of this Equipment Lease, the Equipment or any interest in this Equipment Lease or the Equipment; or (b) sublet or lend the Equipment or permit it to be used by anyone other than Lessee or Lessee's employees. Upon prior written notice to Lessee and written confirmation from the Assignee (as defined below) reasonably satisfactory to Lessee that such Assignee will be able to comply with Section 26 of this Equipment Lease and otherwise meets the requirements set forth below, Lessor may assign its rights, title and interest in and to this Equipment Lease, the Equipment and any documents executed with respect thereto, and/or grant or assign a security interest therein, in whole (but not in part), to any entity at any time without Lessee's consent, so long as any such Assignee is an "accredited investor" (as defined in Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended) or any "qualified institutional buyer" (as defined in Rule 144A promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended) and so long as such assignment does not violate any City ordinance. Lessee agrees to notify Lessor whether or not the written confirmation from the Assignee described in the preceding sentence is reasonably satisfactory to Lessee within three (3) business days of receipt of such written confirmation. Notwithstanding the foregoing, Lessor may not assign its rights, title and interest in and to this Equipment Lease, the Equipment and any documents executed with respect thereto, and/or grant or assign a security interest therein, to a bank or trust company as paying or escrow agent for holders of certificates of participation in this Equipment Lease. Any such Assignee shall have all of the rights of Lessor under this Equipment Lease. Subject to the foregoing, this Equipment Lease inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

No assignment or reassignment of any Lessor's right, title or interest in this Equipment Lease or the Equipment shall be effective unless and until Lessee shall have received a notice of assignment, disclosing the name and address of such Assignee and written confirmation from the Assignee reasonably satisfactory to Lessee that such Assignee will be able to comply with Section 26 of this Equipment Lease and otherwise meets the requirements set forth above; provided that such notice from Lessor to Lessee shall not be required for the assignment by Lessor to Motorola Credit on the Commencement Date. During the Lease Term, Lessee shall keep a complete and accurate record of all such assignments in form necessary to comply with Section 149(a) of the Code, and the regulations, proposed or existing, from time to time promulgated thereunder. No further action will be required by Lessor or by Lessee to evidence the assignment, but Lessee will acknowledge such assignments in writing if so requested.

After notice of such assignment, Lessee shall name the Assignee as additional insured and loss payee in any insurance policies obtained or in force. Any Assignee of Lessor may reassign this Equipment Lease and its interest in the Equipment and the Lease Payments to any other person who, thereupon, shall be deemed to be Lessor's Assignee hereunder.

16. Event of Default. As used herein, the term "Event of Default" means the occurrence of any one or more of the following events: (a) Lessee fails to make any Lease Payment (or any other payment) as it becomes due in accordance with the terms hereof, and any such failure continues for sixty (60) days after the due date thereof; (b) Lessee fails to perform or observe any other covenant, condition, or agreement to be performed or observed by it

hereunder, and such failure is not cured within thirty (30) days after written notice thereof by Lessor; (c) the discovery by Lessor that any statement, representation, or warranty made by Lessee in this Equipment Lease or in any writing ever delivered by Lessee pursuant hereto or in connection herewith was false, misleading or erroneous in any material respect when made; (d) proceedings under any bankruptcy, insolvency, reorganization or similar legislation shall be instituted against or by Lessee, or a receiver or similar officer shall be appointed for Lessee or any of its property, and such proceedings or appointments shall not be vacated, or fully stayed, within thirty (30) days after the institution or occurrence thereof; or (e) an attachment, levy or execution is threatened or levied upon or against the Equipment.

17. Remedies. Whenever any Event of Default shall have occurred and be continuing, Lessor may exercise any and all remedies available pursuant to law or granted pursuant to this Equipment Lease; provided, however, that notwithstanding anything herein to the contrary, there shall be no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable. Each and every covenant hereof to be kept and performed by Lessee is expressly made a condition and upon the breach thereof Lessor may, at its option, require Lessee to promptly return all Equipment to Lessor (and Lessee agrees that it shall so return the Equipment), or Lessor may, at its option, enter upon the premises where any Equipment is located and repossess any Equipment without demand or notice, without any court order or other process of law and without liability for any damage occasioned by such repossession, and also, at its option, with or without such repossession, may terminate this Equipment Lease, provided that no acts of the parties hereto may terminate Lessee's obligation to make the Lease Payments except only in the manner herein expressly provided. In the event of such default and notwithstanding any repossession by Lessor or termination of this Equipment Lease, Lessee shall, as herein expressly provided, continue to remain liable for the payment of the Lease Payments and/or damages for breach of this Equipment Lease and the performance of all conditions herein contained and, in the event such rent and/or damages shall be payable to Lessor at the time and in the manner as herein provided, to wit:

(a) if Lessor does not elect to terminate this Equipment Lease in the manner hereinafter provided for in subparagraph (b) below, Lessee agrees to and shall remain liable for the payment of all Lease Payments and the performance of all conditions herein contained and shall reimburse Lessor for any deficiency arising out of the re-leasing of the Equipment or, in the event Lessor is unable to re-lease the Equipment, then for the full amount of all Lease Payments to the end of the Lease Term of this Equipment Lease, but said Lease Payments and/or deficiency shall be payable only at the same time and in the same manner as hereinabove provided for the payment of Lease Payments hereunder, notwithstanding any suit brought by Lessor for the purpose of obtaining possession of the Equipment or exercise of any other remedy by Lessor; Lessee hereby irrevocably appoints Lessor as the agent and attorney-in-fact of Lessee to obtain possession and re-lease the Equipment in the event of default by Lessor in the performance of any covenants herein contained to be performed by Lessee, for the account of and at the expense of Lessee, and Lessee hereby agrees to pay all proper and reasonable costs and expenses associated with the recovery, repair, storage and re-leasing of the Equipment, including reasonable attorney's fees and expenses; Lessee hereby waives any and all claims for damages caused or which may be caused by Lessor in entering any premises where the Equipment may be held and taking possession of the Equipment as herein provided and all

claims for damages that may result from the destruction of or injury to the Equipment; Lessee agrees that the terms of this Equipment Lease constitute full and sufficient notice of the right of Lessor to re-lease the Equipment without effecting a surrender of this Equipment Lease, and further agrees that no act of Lessor in effecting such re-leasing shall constitute a surrender or termination of this Equipment Lease irrespective of the term for which such re-leasing is made or the terms and conditions of such re-leasing, or otherwise, but that, on the contrary, in the event of such default by Lessor the right to terminate this Equipment Lease shall vest in Lessor to be effected in the sole and exclusive manner hereinafter provided for in subparagraph (b) below; Lessee further waives the right to any rental obtained by Lessor in excess of the Lease Payments and hereby conveys and releases such excess to Lessor as compensation to Lessor for its service in re-leasing the Equipment; and

(b) in an event of default hereunder, Lessor, at its option may terminate this Equipment Lease and re-lease, sell or otherwise dispose of all or any portion of the Equipment; in the event of the termination of this Equipment Lease by Lessor at its option and in the manner hereinafter provided on account of default by Lessor (and notwithstanding the re-leasing, sale or other disposition of the Equipment), Lessee nevertheless agrees to pay to Lessor all proper and reasonable costs and expenses associated with the recovery, repair, storage, re-leasing, sale or other disposition of any Equipment, including reasonable attorney's fees and expenses payable at the same time and in the same manner as is herein provided in the case of payment of Lease Payments; any surplus received by Lessor from such re-leasing, sale or other disposition shall be the absolute property of Lessor and Lessee shall have no right thereto, nor shall Lessee be entitled to apply any surplus as a credit in the event of a subsequent deficiency in the rentals or other proceeds received by Lessor from the Equipment; neither notice to pay rent or to deliver up possession of the Equipment given pursuant to law nor any proceeding taken by Lessor shall of itself operate to terminate this Equipment Lease, and shall be or become effective by operation of law, or otherwise, unless and until Lessor shall have given written notice to Lessee of the election on the part of Lessor to terminate this Equipment Lease; Lessee covenants and agrees that no surrender of the Equipment or of the remainder of the Lease Term of this Equipment Lease or any termination of this Equipment Lease shall be valid in any manner or for any purpose whatsoever unless stated or accepted by Lessor by such written notice.

None of the above remedies is exclusive, but each is cumulative and in addition to any other remedy available to Lessor given under this Equipment Lease or now or hereafter existing at law or in equity. Lessor's exercise of one or more remedies shall not preclude its exercise of any other remedy. No delay or failure on the part of Lessor to exercise any remedy under this Equipment Lease shall operate as a waiver thereof, nor as an acquiescence in any default, nor shall any single or partial exercise of any remedy preclude any other exercise thereof or the exercise of any other remedy.

18. Prepayment.

(a) Lessee shall be obligated to prepay the principal portion of the unpaid Lease Payments allocable to any portion of the Equipment, in whole or in part, on any Lease Payment due date, from and to the extent of any proceeds of insurance with respect to such item of Equipment, at a prepayment price equal to (i) the amount of the principal portion of the unpaid Lease Payments so prepaid, plus (ii) the original issue discount portion of the unpaid Lease

Payments so prepaid accrued to the date of such prepayment. Lessee and Lessor hereby agree that such insurance proceeds, to the extent remaining after payment of any delinquent Lease Payments and not used to repair or replace the lost, damaged or taken Equipment, shall be credited towards Lessee's obligations under this Section 18(a).

(b) Upon thirty (30) days prior written notice from Lessee to Lessor, and provided that no Event of Default has occurred and is continuing, or no event which with notice or lapse of time, or both, could become an Event of Default then exists, Lessee will have the right to prepay the principal portion of the unpaid Lease Payments in whole (but not in part) on any Lease Payment due date set forth in Schedule B attached hereto at a prepayment price equal to (i) the Lease Payment due on such Lease Payment due date, plus (ii) the Balance Payment amount set forth opposite such Lease Payment due date. Upon satisfaction by Lessee of such prepayment conditions, Lessor will transfer any and all of its right, title and interest in all of the Equipment to Lessee "AS IS", WITHOUT WARRANTY, express or implied, except that the Equipment shall be free and clear of any liens created by Lessor.

19. Substitution of Equipment. Lessee shall, at any time, with the prior written consent of Lessor (not to be unreasonably withheld or delayed), have the right to substitute or release all or a portion of the Equipment (in such case the substitute Equipment shall mean the former equipment less any portion released pursuant to this Section 19) for other property of a fair rental value such that the fair rental value of the Equipment for each remaining Rental Period after such substitution or release equals or exceeds the Lease Payments and any other amounts payable hereunder for each Rental Period over the remaining term of this Equipment Lease, of a comparable essential nature to Lessee, and having a remaining economic useful life not less than the economic useful life of the portion of Equipment substituted for, but only by providing Lessor with a written certificate describing both the new Equipment and the Equipment for which it is to be substituted, and stating that such portion of Equipment is of a fair rental value such that fair rental value of the Equipment for each remaining Rental Period after such substitution or release equals or exceeds the Lease Payments and any other amounts payable hereunder for each Rental Period over the remaining term of this Equipment Lease, of a comparable essential nature to Lessee, and having a remaining economic useful life not less than the economic useful life of the Equipment for which it is being substituted, and an executed amendment to this Equipment Lease for the new Equipment, and an opinion of bond counsel that such substitution shall not adversely affect the tax-exempt status of the original issue discount portion of the unpaid Lease Payments payable under this Equipment Lease. All costs and expenses incurred in connection with such substitution including without limitation the cost of acquiring such Equipment, shall be borne by Lessee unless Lessor elects to bear the cost of acquiring the replacement Equipment. In the event of such substitution or release, the Equipment substituted for the original Equipment shall become fully subject to the terms hereof. Notwithstanding any substitution or release of Equipment pursuant to this Section 19, there shall be no reduction in the Lease Payments due from Lessee hereunder and there shall be no reduction in the aggregate fair rental value of the Equipment as a result of such substitution or release.

20. Notices. All notices to be given under this Equipment Lease shall be made in writing and mailed by certified mail, return receipt requested, to the other party at its address set forth below or at such address as the party may provide in writing from time to time. Any such notice shall be deemed to have been received five days subsequent to such mailing.

If to Lessor, to:

Motorola Solutions, Inc
500 West Monroe Street
Chicago, Illinois 60661
Attention: []

If to Lessee, to:

City of Los Angeles
Office of the City Administrative Officer
City Hall East, Room 1500
200 North Main Street
Los Angeles, California 90012-4190
Attention: Debt Management Group

21. Section Headings. All section headings contained herein are for the convenience of reference only and are not intended to define or limit the scope of any provision of this Equipment Lease.

22. Governing Law. This Equipment Lease shall be construed in accordance with, and governed by the laws of, the State of California.

23. Delivery of Related Documents. Lessee will execute or provide, as requested by Lessor, such other documents and information as are reasonably necessary with respect to the transaction contemplated by this Equipment Lease.

24. Entire Agreement; Waiver. This Equipment Lease, together with each attachment and schedule attached hereto and each Delivery and Acceptance Certificate, and other documents or instruments executed by Lessee and Lessor in connection herewith, are incorporated herein by reference and made a part hereof. This Equipment Lease constitutes the entire agreement between the parties with respect to the lease of the Equipment, and shall not be modified, amended, altered, or changed except with the written consent of Lessee and Lessor. Any provision of the Equipment Lease found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of the Equipment Lease.

The waiver by Lessor of any breach by Lessee of any term, covenant or condition of this Equipment Lease shall not operate as a waiver of any subsequent breach hereof or thereof.

25. Execution In Counterparts. This Equipment Lease may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument; provided, however, that only the original of this Equipment Lease

marked "Lessor's Original" shall constitute the original for this Equipment Lease for purposes of the sale or transfer of this Equipment Lease as chattel paper.

26. Standard Provisions for City Contracts. Certain standard provisions for City contracts are attached hereto as Attachment A and are hereby incorporated by reference into this Equipment Lease, and Lessor and each Assignee agree to be subject to all of such provisions. Anything herein to the contrary notwithstanding, to the extent of any conflict between Attachment A attached hereto and the other provisions of this Equipment Lease, the other provisions of this Equipment Lease shall be controlling.

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IN WITNESS WHEREOF, the parties have executed this Equipment Lease-Purchase Agreement as of the 22nd day of December, 2017.

LESSOR:

MOTOROLA SOLUTIONS, INC

By: _____
Title:

LESSEE:

CITY OF LOS ANGELES

By: _____
Benjamin Ceja,
Assistant City Administrative Officer

ATTEST:

HOLLY L. WOLCOTT, CITY CLERK

By: _____
City Clerk

Approved as to Form:

MICHAEL N. FEUER, CITY ATTORNEY

By: _____
Charles Hong,
Deputy City Attorney

ATTACHMENT A CITY'S STANDARD PROVISIONS

Lessor agrees to be subject to the following provisions unless otherwise exempt from any of such provisions or unless any of such provisions are not applicable. References herein to "Contractor" shall mean the "Lessor" (including any Assignee) under the Equipment Lease, and references herein to "Contract" or "contract" shall mean the Equipment Lease unless the context provides otherwise. Anything herein to the contrary notwithstanding, to the extent of any conflict between the provisions of this Attachment A and the other provisions of the Equipment Lease, the other provisions of the Equipment Lease shall be controlling. Lessee's right to terminate the Equipment Lease pursuant to the provisions of this Attachment A may only be exercised on a Lease Payment due date set forth in Schedule B attached to the Equipment Lease and Lessee's concurrent prepayment of the principal portion of the unpaid Lease Payments on such Lease Payment due date pursuant to Section 18(b) of the Equipment Lease by paying to Lessor the prepayment price set forth in Section 18(b) of the Equipment Lease.

Section 1. Independent Contractor. Contractor is an independent contractor and not an agent or employee of Lessee. Contractor shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of Lessee.

Section 2. Current Los Angeles City Business Tax Registration Certificate Required. For the duration of the Contract, Contractor shall maintain valid Business Tax Registration Certificate(s) as required by Lessee's Business Tax Ordinance, Section 21.00 et seq. of the Los Angeles Municipal Code ("LAMC"), and shall not allow the Certificate to lapse or be revoked or suspended.

Section 3. Indemnification. Except for the active negligence or willful misconduct of Lessee, or any of its boards, officers, agents, employees, assigns and successors in interest, Contractor shall defend, indemnify and hold harmless Lessee and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by Lessee, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including Contractor's employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of an act, error, or omission by Contractor, Subcontractors, or their boards, officers, agents, employees, assigns, and successors in interest. The rights and remedies of Lessee provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract. This provision will survive expiration or termination of the Contract.

Section 4. Mandatory Provisions Pertaining to Non-Discrimination in Employment. Unless otherwise exempt, the Contract is subject to the applicable non-discrimination, equal benefits, equal employment practices, and affirmative action program provisions in the Los Angeles Administrative Code ("LAAC") Section 10.8 et seq., as amended from time to time.

A. Contractor shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and Lessee. In performing the Contract, Contractor shall not discriminate in any of its hiring or employment practices against any employee or applicant for employment because of such person's race, color, religion, national origin, ancestry, sex, sexual orientation, gender, gender identity, age, disability, domestic partner status, marital status or medical condition.

B. The requirements of Section 10.8.2.1 of the LAAC, the Equal Benefits Ordinance, and the provisions of Section 10.8.2.1(f) are incorporated and made a part of the Contract by reference.

C. The provisions of Section 10.8.3 of the LAAC are incorporated and made a part of the Contract by reference and will be known as the "Equal Employment Practices" provisions of the Contract.

D. The provisions of Section 10.8.4 of the LAAC are incorporated and made a part of the Contract by reference and will be known as the "Affirmative Action Program" provisions of the Contract.

Any subcontract entered into by Contractor for work to be performed under the Contract must include an identical provision.

Section 5. Child Support Assignment Orders. Contractor shall comply with the Child Support Assignment Orders Ordinance, Section 10.10 of the LAAC, as amended from time to time. Pursuant to Section 10.10(b) of the LAAC, Contractor shall fully comply with all applicable State and Federal employment reporting requirements. Failure of CONTRACTOR to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment or Notices of Assignment, or the failure of any principal owner(s) of Contractor to comply with any Wage and Earnings Assignment or Notices of Assignment applicable to them personally, shall constitute a default by the Contractor under the Contract. Failure of Contractor or principal owner to cure the default within 90 days of the notice of default will subject the Contract to termination for breach. Any subcontract entered into by Contractor for work to be performed under the Contract must include an identical provision.

Section 6. Living Wage Ordinance. Contractor shall comply with the Living Wage Ordinance, LAAC Section 10.37 et seq., as amended from time to time. Contractor further agrees that it shall comply with federal law proscribing retaliation for union organizing. Any subcontract entered into by Contractor for work to be performed under the Contract must include an identical provision.

Section 7. Service Contractor Worker Retention Ordinance. Contractor shall comply with the Service Contractor Worker Retention Ordinance, LAAC Section 10.36 et seq., as amended from time to time. Any subcontract entered into by Contractor for work to be performed under the Contract must include an identical provision.

Section 8. Access and Accommodations.

Contractor represents and certifies that:

A. Contractor shall comply with the Americans with Disabilities Act, as amended, 42 U.S.C. Section 12101 et seq., the Rehabilitation Act of 1973, as amended, 29 U.S.C. Section 701 et seq, the Fair Housing Act, and its implementing regulations, and California Government Code 11135;

B. Contractor shall not discriminate on the basis of disability or on the basis of a person's relationship to, or association with, a person who has a disability;

C. Contractor shall provide reasonable accommodation upon request to ensure equal access to Lessee funded programs, services and activities;

D. Construction, if any, will be performed in accordance with the Uniform Federal Accessibility Standards (UFAS), 24 C.F.R. Part 40; and

E. The buildings and facilities used to provide services under the Contract are in compliance with the federal and state standards for accessibility as set forth in the 2010 ADA Standards, California Title 24, Chapter 11, or other applicable federal and state law.

Contractor understands that Lessee is relying upon these certifications and representations as a condition to funding this Contract. Any subcontract entered into by Contractor for work to be performed under this Contract must include an identical provision.

Section 9. Contractor Responsibility Ordinance. Contractor shall comply with the Contractor Responsibility Ordinance, LAAC Section 10.40 et seq., as amended from time to time.

Section 10. Business Inclusion Program. Unless otherwise exempted prior to bid submission, Contractor shall comply with all aspects of the Business Inclusion Program as described in the Request for Proposal/Qualification process, throughout the duration of the Contract. Contractor shall utilize the Business Assistance Virtual Network ("BAVN") at <https://www.labavn.org/>, to perform and document outreach to Minority, Women, and Other Business Enterprises. Contractor shall perform subcontractor outreach activities through BAVN. Contractor shall not change any of its designated Subcontractors or pledged specific items of work to be performed by these Subcontractors, nor shall Contractor reduce their level of effort, without prior written approval of Lessee.

Section 11. Slavery Disclosure Ordinance. Contractor shall comply with the Slavery Disclosure Ordinance, LAAC Section 10.41 et seq., as amended from time to time. Any subcontract entered into by Contractor for work to be performed under the Contract must include an identical provision.

Section 12. First Source Hiring Ordinance. Contractor shall comply with the First Source Hiring Ordinance, LAAC Section 10.44 et seq., as amended from time to time. Any

subcontract entered into by Contractor for work to be performed under the Contract must include an identical provision.

Section 13. Local Business Preference Ordinance. Contractor shall comply with the Local Business Preference Ordinance, LAAC Section 10.47 et seq., as amended from time to time. Any subcontract entered into by Contractor for work to be performed under the Contract must include an identical provision.

Section 14. Iran Contracting Act. In accordance with California Public Contract Code Sections 2200-2208, all contractors entering into, or renewing contracts with Lessee for goods and services estimated at \$1,000,000 or more are required to complete, sign, and submit the "Iran Contracting Act of 2010 Compliance Affidavit."

Section 15. Restrictions on Campaign Contributions and Fundraising in City Elections. Unless otherwise exempt, if the Contract is valued at \$100,000 or more and requires approval by an elected City office, Contractor, Contractor's principals, and Contractor's Subcontractors expected to receive at least \$100,000 for performance under the Contract, and the principals of those Subcontractors (the "Restricted Persons") shall comply with Charter Section 470(c)(12) and LAMC Section 49.7.35. Failure to comply entitles Lessee to terminate the Contract and to pursue all available legal remedies. Charter Section 470(c)(12) and LAMC Section 49.7.35 limit the ability of the Restricted Persons to make campaign contributions to and engage in fundraising for certain elected City officials or candidates for elected City office for twelve months after the Contract is signed. Additionally, a Contractor subject to Charter Section 470(c)(12) is required to comply with disclosure requirements by submitting a completed and signed Ethics Commission Form 55 and to amend the information in that form as specified by law. Any Contractor subject to Charter Section 470(c)(12) shall include the following notice in any contract with any Subcontractor expected to receive at least \$100,000 for performance under the Contract:

"Notice Regarding Restrictions on Campaign Contributions and Fundraising in City Elections

You are a subcontractor on City of Los Angeles Contract # _____. Pursuant to the City of Los Angeles Charter Section 470(c)(12) and related ordinances, you and your principals are prohibited from making campaign contributions to and fundraising for certain elected City of Los Angeles ("City") officials and candidates for elected City office for twelve months after the City contract is signed. You are required to provide the names and contact information of your principals to the Contractor and to amend that information within ten business days if it changes during the twelve month time period. Failure to comply may result in termination of this Contract and any other available legal remedies. Information about the restrictions may be found online at ethics.lacity.org or by calling the Los Angeles City Ethics Commission at (213) 978-1960."

Section 16. Contractor's Use of Criminal History for Consideration of Employment Applications. Contractor shall comply with Lessee's Contractors' Use of Criminal History for

Consideration of Employment Applications Ordinance, LAAC Section 10.48 et seq., as amended from time to time. Any subcontract entered into by Contractor for work to be performed under the Contract must include an identical provision.

Section 17. Confidentiality. All documents, information and materials provided to Contractor by Lessee or developed by Contractor pursuant to the Contract (collectively "Confidential Information") are confidential. Contractor shall not provide or disclose any Confidential Information or their contents or any information therein, either orally or in writing, to any person or entity, except as authorized by Lessee or as required by law. Contractor shall immediately notify Lessee of any attempt by a third party to obtain access to any Confidential Information. This provision will survive expiration or termination of the Contract.

SCHEDULE A

EQUIPMENT

Lease Number: [_____]

QUANTITY

DESCRIPTION (Manufacturer, Model, and Serial Nos.)

Refer to attached Equipment List.

SCHEDULE B

LEASE PAYMENT SCHEDULE

Funded Amount/Issue Price/Acquisition Price:	\$64,500,000.04
Total Original Issue Discount:	\$3,459,240.10
Total Lease Payments/Procurement Contract Acquisition Price:	\$64,500,000.04
Nominal Interest Rate:	0% per annum
Imputed Original Discount Rate ² :	[1.45]% per annum

AMORTIZATION SCHEDULE

<u>Payment Number</u>	<u>Due Date</u>	<u>Lease Payment</u>	<u>Principal Portion</u>	<u>Accrued Original Issue Discount Portion</u>	<u>Balance Payment</u>
1	August 1, 2018	\$ 4,607,142.86	\$4,080,399.38	\$526,743.48	\$59,892,857.14
2	February 1, 2019	\$ 4,607,142.86	\$4,194,180.25	\$412,962.61	\$55,285,714.28
3	August 1, 2019	\$ 4,607,142.86	\$4,224,588.05	\$382,554.81	\$50,678,571.42
4	February 1, 2020	\$ 4,607,142.86	\$4,255,216.32	\$351,926.54	\$46,071,428.56
5	August 1, 2020	\$ 4,607,142.86	\$4,286,066.63	\$321,076.23	\$41,464,285.70
6	February 1, 2021	\$ 4,607,142.86	\$4,317,140.62	\$290,002.24	\$36,857,142.84
7	August 1, 2021	\$ 4,607,142.86	\$4,348,439.89	\$258,702.97	\$32,249,999.98
8	February 1, 2022	\$ 4,607,142.86	\$4,379,966.08	\$227,176.78	\$27,642,857.12
9	August 1, 2022	\$ 4,607,142.86	\$4,411,720.83	\$195,422.03	\$23,035,714.26
10	February 1, 2023	\$ 4,607,142.86	\$4,443,705.81	\$163,437.05	\$18,428,571.40
11	August 1, 2023	\$ 4,607,142.86	\$4,475,922.67	\$131,220.19	\$13,821,428.54
12	February 1, 2024	\$ 4,607,142.86	\$4,508,373.11	\$ 98,769.75	\$9,214,285.68
13	August 1, 2024	\$ 4,607,142.86	\$4,541,058.82	\$ 66,084.04	\$4,607,142.82
14	February 1, 2025	\$ 4,607,142.86	\$4,573,981.48	\$ 33,161.38	-
Total		\$64,500,000.04 ¹			

¹\$64,500,000 is the contracted Procurement Contract acquisition price.

² The imputed original issue discount rate is a discount rate equal to the applicable Federal mid-term rate for [] 2017, compounded semiannually, as specified in Sections 1274 and 1288 of the Code, for determining the imputed principal portion of the Lease Payments (which, under Section 1274 of the Code shall be equal to the sum of the present values of all Lease Payments due under the Equipment Lease determined in the manner provided by regulations prescribed by the Secretary as of the date of the sale or exchange and by using the discount rate specified above).

SCHEDULE C

EQUIPMENT LEASE-PURCHASE AGREEMENT FINAL DELIVERY AND ACCEPTANCE CERTIFICATE

The undersigned Lessee hereby acknowledges receipt of all of the Equipment described in Schedule A attached to the Equipment Lease-Purchase Agreement No. [____], dated December 22, 2017 (the "Equipment Lease"), executed by the undersigned Lessee and Motorola Solutions, Inc (the "Equipment") and the undersigned Lessee has accepted all of the Equipment after full inspection thereof as satisfactory for all purposes of the Equipment Lease.

Dated: _____

CITY OF LOS ANGELES

By: _____
Authorized Officer

Attachment C

Equipment List

EQUIPMENT LIST

2.1 LAPD APX 8000 PORTABLE EQUIPMENT LIST

QTY	NOMENCLATURE	DESCRIPTION
11,500	H91TGD9PW7 N	APX 8000 ALL BAND PORTABLE MODEL 3.5 W/ BELT CLIP STYLE HOLDER
11,500	QA05507	DEL: DELETE 7/800 MHZ BAND
11,500	QA05508	DEL: DELETE VHF BAND
11,500	LAPDMIGRATION	LAPD T-BAND MIGRATION & INTEROP PACKAGE
11,500	Q806	ADD: ASTRO DIGITAL CAI OPERATION
11,500	H38	ADD: SMARTZONE OPERATION
11,500	Q361	ADD: P25 9600 BAUD TRUNKING
11,500	QA00580	ADD: TDMA OPERATION
11,500	Q887AYPD	ENH: 7 YEAR SERVICE FROM THE START LITE
11,500	QA01648	ADD: ADVANCED SYSTEM KEY - HARDWARE KEY
11,500	G996	ADD: PROGRAMMING OVER P25 (OTAP)
11,500	Q498	ENH: ASTRO 25 OTAR W/ MULTIKEY
11,500	QA03399	ADD: ENHANCED DATA
11,500	QA09001	ADD: WIFI CAPABILITY
11,500	QA09007	ADD: OUT OF THE BOX WIFI PROVISIONING
11,500	QA09008	ADD: GROUP SERVICES
11,500	Q629	ENH: AES ENCRYPTION
11,500	QA05571	ALT: BATT IMPRESS 2 LIION 4850MAH (BATT #1)
11,500	PMNN4487SP1	BATT IMPRES 2 LIION R IP68 4850T (BATT #2)
11,500	PMLN5659B	APX6000 CC 2.75 SWL BL 4200MAH
11,500	PMAS4001A	UHF (380-520) /7-800 GPS ANTENNA
11,500	NMN6274A	IMPRES XP RSM FOR APX W/ DUAL MIC NOISE SUPPRESSION, 3.5MM THRDJACK
1,917	NNTN8844A	CHARGER, MULTI-UNIT, IMPRES 2, 6-DISP, NA/LA-PLUG, ACC USB CHGR
10	PMKN4013C	PROGRAMMING, TEST & ALIGNMENT CABLE

2.2 LAPD APX 8500 MOBILE EQUIPMENT LIST

QTY	NOMENCLATURE	DESCRIPTION
4,500	M37TSS9PW1 N	APX8500 ALL BAND MP MOBILE
4,500	GA05507	DEL: DELETE 7/800 MHZ BAND
4,500	GA05508	DEL: DELETE VHF BAND
4,500	LAPDMIGRATION	LAPD T-BAND MIGRATION & INTEROP PACKAGE
4,500	G806	ENH: ASTRO DIGITAL CAI OP APEX
4,500	G51	ENH: SMARTZONE OPERATION APX
4,500	G361	ADD: P25 TRUNKING SOFTWARE
4,500	GA00580	ADD: TDMA OPERATION

December 6, 2017
Use or disclosure of this proposal is subject to the restrictions on the cover page.

City of Los Angeles - Police & Fire Department
Flawless Launch Subscriber Radio Program



4,500	QA01648	ADD: ADVANCED SYSTEM KEY - HARDWARE KEY
4,500	G442	ADD: O5 CONTROL HEAD
4,500	G444	ADD: APX CONTROL HEAD SOFTWARE
4,500	G67	ADD: THUMB SCREW REMOTE MOUNT
4,500	G610	ADD: REMOTE MOUNT CBL 30 FEET
4,500	GA01513	ADD: ALL BAND MOBILE ANTENNA (7/8/V/U)
4,500	GA00226	ADD: GPS/WI-FI ANTENNA
4,500	W22	ADD: STD PALM MICROPHONE APEX
4,500	G832	ADD: SPKR 7.5W WATER RESISANT
4,500	GA00318PD	ENH: 7 YR SFS LITE
4,500	QA03399	ADD: ENHANCED DATA
4,500	G996	ENH: OVER THE AIR PROVISIONING
4,500	GA09008	ADD: GROUP SERVICES
4,500	G298	ENH: ASTRO 25 OTAR W/ MULTIKEY
4,500	G843	ADD: AES ENCRYPTION APX
50	HKN6184C	CABLE CH, PROGRAMMING,USB

2.3 LAFD APX 8000XE PORTABLE EQUIPMENT LIST

QTY	NOMENCLATURE	DESCRIPTION
3,500	H91TGD9PW7 N	APX 8000 ALL BAND PORTABLE MODEL 3.5 W/ BELT CLIP STYLE HOLDER
3,500	QA05507	DEL: DELETE 7/800 MHZ BAND
3,500	QA05508	DEL: DELETE VHF BAND
3,500	LAPDMIGRATION	LAPD T-BAND MIGRATION & INTEROP PACKAGE
3,500	QA02006	ENH: APX8000XE RUGGED RADIO
3,500	Q806	ADD: ASTRO DIGITAL CAI OPERATION
3,500	H38	ADD: SMARTZONE OPERATION
3,500	Q361	ADD: P25 9600 BAUD TRUNKING
3,500	QA00580	ADD: TDMA OPERATION
3,500	Q887AYPD	ENH: 7 YEAR SERVICE FROM THE START LITE
3,500	QA01648	ADD: ADVANCED SYSTEM KEY - HARDWARE KEY
3,500	G996	ADD: PROGRAMMING OVER P25 (OTAP)
3,500	QA01843	ADD: MANDOWN OPERATION
3,500	Q498	ENH: ASTRO 25 OTAR W/ MULTIKEY
3,500	QA09001	ADD: WIFI CAPABILITY
3,500	QA09007	ADD: OUT OF THE BOX WIFI PROVISIONING
3,500	Q629	ENH: AES ENCRYPTION
3,500	PMMN4106ABLK	AUDIO ACCESSORY-AUDIO ADAPTER,NEXT GEN FIRE RSM MODEL 1 BLK
3,500	PMNN4504	BATT IMPRES 2 LIION UL2054 DIV2 R IP68 3400T (BATT #2)
584	NNTN8844A	CHARGER, MULTI-UNIT, IMPRES 2, 6-DISP, NA/LA-PLUG, ACC USB CHGR
10	PMKN4013C	PROGRAMMING, TEST & ALIGNMENT CABLE

2.4 ADDITIONAL ACCESSORIES (INCLUDED AS NEEDED)

The final quantity and nomenclature of these included accessory items will be identified during the Design Review.

QTY	NOMENCLATURE	DESCRIPTION
TBD	PMLNTBD	ALT: LEATHER SYLE CARRY CASES (TBD) – AS NEEDED
TBD	NNTN7686A	APX CHARGER ADAPTER FOR XTS CHARGER
TBD	PMLNW72W5TBD	OPTIONAL BELT CLIP KIT: SIZES/STYLE/M1.5 CASE – AS NEEDED
TBD	BDN6783B	AUDIO ACCY ADPT 3.5MM W/PTT (OR SIMILAR)

Additional batteries may be purchased using the City Contract 59456. Motorola is offering the optional purchase of any additional batteries at 20% off list. Additional discounts can be given based on volume purchases. The most current catalog of batteries and other accessories is available online and will also be provided to the City during the Design Review.



Attachment D

Warranty & Maintenance

WARRANTY & MAINTENANCE

5.1 SERVICE FROM THE START (SFS) PROGRAM

Service from the Start (SfS) gives you the support you need to help you keep your subscriber radios operating in peak condition. When repair is required, the Motorola Depot tests, repairs, and returns the radio to original factory specifications. Firmware is also upgraded to the latest version. SfS adheres to a proven process of analysis and restoration. Service agreements allow you to budget your maintenance costs on an annual basis. Equipment covered under service agreements also receives higher service priority, which results in quicker repair times.

Motorola has provided seven years of SfS maintenance with each of the portable and mobile subscribers included in this proposal.

PROTECT YOUR RADIO INVESTMENT

Get fast response times and access to highly skilled, certified repair technicians who specialize in rapid resolution of radio performance issues. State-of-the-art diagnostics equipment, repair tools and an extensive inventory of replacement parts helps ensure your radios are back in operation quickly.

Motorola service centers are certified to comply with ISO9001 and TL9000 standards using proven, repeatable processes so that your repair is completed right the first time, every time.

SfS Includes:

- Normal wear and tear repair coverage
- Five-day repair turnaround time
- Expert technical support (8x5)

AT-A-GLANCE:

SERVICE FROM THE START LITE	
Coverage Period	7 years with radio purchase <i>No. 2</i>
Hardware Repair	Normal wear and tear
Repair Turnaround Time (In-House)	5 days
Helpdesk Response Time	4 hr response
Shipping	2-way
Remote Technical Support	8x5



5.1.1 SFS Statement of Work

5.1.1.1 Description

Service From the Start-LITE provides board level service for the Equipment that is specifically named in the applicable agreement to which this Statement of Work (SOW) is attached or any of the agreement's subsequent revisions. Services are performed at the Radio Support Center (RSC), or Federal Technical Support Center.

No. 2 Motorola's Service from the Start (SfS) warranty coverage begins at Deployment and will terminate (1) at the end of seven years for the portable and mobile radios and (2) at the end of two years for batteries. Deployment occurs and the warranty period begins when each radio or battery is put into service, based on the Council approved deployment schedule. For radios and batteries which are not to be initially programmed or installed by Motorola (i.e. spares, batteries, test units), Deployment occurs upon delivery of the equipment to the City's designated facilities (i.e. Fire Station).

The SfS coverage term will be tracked per portable radio, mobile radio, and battery, based on a unique identification (i.e. serial number).

No. 3 Motorola will not cancel the availability of maintenance service for the City of LA leased equipment during the contract period. Motorola will provide the option for maintenance service on the purchased radios up to (1) a minimum of five years beyond the announced product cancellation or (2) February 1, 2030, whichever is later.

No. 4 As part of this Service from the Start program for the City of LA, Motorola will also work with the City to develop a methodology where product Technical Service Bulletins and preventative maintenance updates are provided in a timely manner to the City and where the City confirms the receipt of such information. This will ensure that the City and Motorola are working closely to educate the service providers and end users with information to keep the equipment in peak operating condition throughout its useful life.

In addition to Equipment specifically named in the applicable agreement to which this Statement of Work is attached, Service From the Start LITE includes service on single mobile control heads provided that they are required for normal operation of the Equipment and are included at the point of manufacture.

Service From the Start LITE excludes repairs to: optional accessories; standard mobile palm microphones; non-standard mobile microphones; portable remote speaker microphones; optional or additional control heads; mobile external speakers; single and multiple unit portable chargers; batteries; mobile power and antenna cables; mobile antennas; portable antennas, and power supplies. Engraving service is not covered under standard Service From the Start LITE. This service does not cover defects, malfunctions, performance failures or damage to the unit resulting from physical, liquid, or chemical damage. An estimate for non-covered repairs will be provided for units displaying extensive damage.

Service From the Start LITE is non-cancelable and non-refundable. If Equipment is added to the agreement subsequent to the Start Date, these units are also non-cancelable and non-refundable for the agreement duration. All Equipment must be in good working order on the Start Date or when additional Equipment is added to the agreement. Equipment may only be added to the agreement, via a customer signed or emailed Motorola Inventory Adjustment Form (IAF). Complete and accurate serial numbers and model descriptions must be supplied.

All inventory adjustment requests for add-on subscriber units received prior to the 15th of the month will be effective the 1st of the following month. Equipment add-on requests received after the 15th of the month will be effective the 1st of the next succeeding month.

Equipment deletions from the agreement may only be deleted under the following limited conditions:

- A. Equipment was stolen and proof of theft is provided to Motorola; or
- B. Motorola determines Equipment is damaged beyond repair; or
- C. Motorola determines Equipment is no longer supportable or is obsolete (SUBJECT TO CITY OF LA LEASE TERMS FOR WARRANTY AND SUPPORT); or
- D. Equipment had already been under a previous contract for at least the twelve month requirement. Equipment deletions, where applicable, will be effective at the end of the month in which the request was received.

The terms and conditions of this Statement of Work are an integral part of the Motorola Service Agreement or other applicable agreement to which it is attached and made a part thereof by this reference. If there are any inconsistencies between the provisions of the Motorola Service Agreement or other applicable agreement and this Statement of Work, the provisions of this Statement of Work shall prevail.

5.1.1.2 Batteries

All IMPRES2™ Batteries included in this offering feature a two-year defect warranty.

5.1.1.3 Motorola has the following responsibilities:

- Test and Restore the Equipment to Motorola factory specifications, including Factory Mutual (FM), Underwriters Laboratories (UL), and Mine Hazard Safety Association (MHSa).
- Reprogram Equipment to original operating parameters based on the Customer template, if retrievable, or from a Customer supplied backup. If the Customer template or code plug is not usable, a generic template or code plug utilizing the latest Radio Service Software (RSS) or Customer Programming Software (CPS) version for that Equipment will be used. The Equipment will require additional programming by the Customer to Restore the original template. All Firmware is upgraded to the latest release for each individual product line.
- Clean external housing of the Equipment. External components of unit will only be replaced when functionality has been diminished.
- Pay the outbound freight charges. Motorola will pay the inbound freight charges if the Customer uses the Motorola designated delivery service.
- Provide the Motorola repair request and Inventory Adjustment Form (IAF) via Motorola On Line (MOL).
- Process inventory adjustment requests received by email or fax from Customer. If the request is received by email, Motorola will email an acknowledgement to the sender.
- Perform covered services as requested by Customer on the Motorola repair request form.
- If applicable, notify Customer of changes in Motorola designated inventory adjustment email address or fax number.
- Provide product maintenance bulletins and Technical Service Bulletins (TSB's) and confirm receipt of such materials by the City of LA

5.1.1.4 Customer has the following Responsibilities:

- Supply Motorola complete and accurate serial numbers and model description.



- Utilize the Motorola designated delivery service program to obtain Motorola payment for inbound shipping
- Access the Motorola repair request form and Inventory Adjustment Form (IAF) through Motorola On Line (MOL).
- Initiate service request via Motorola On Line (MOL) or complete a Motorola repair request form with contract number referenced, and submit with each unit of Equipment sent in for service. Mobile control heads or accessory items sent in must reference the serial number of the main unit.
- If desired, supply Motorola with a Software template or programming in order to assist in returning the Equipment to original operating parameters. This step must be completed for Equipment that will not power up. If applicable, record the current flashcode for each radio.
- If Motorola must utilize a generic template or code plug to Restore Equipment to operating condition, Customer is responsible for any programming required to Restore Equipment to desired parameters.
- Provide a signed or emailed Motorola Inventory Adjustment Form (IAF) for all Equipment additions.
- Local services or annual maintenance required for maintaining normal operation of the equipment, unless specified on the service agreement.
- Confirm receipt to Motorola of any maintenance or technical bulletins provided by Motorola

