



This purchase agreement (together with all attachments referenced herein, collectively, the "Agreement"), made and entered into by and between Atlantic Emergency Solutions, Inc., a Virginia corporation ("Atlantic"), and **Kempsville Rescue Squad, Inc.**, ("Customer") is effective on the last signature date set forth on the signature lines below (the "Effective Date").

1. **Purchase and Payment.** Customer agrees to purchase and Atlantic agrees to sell to Customer the ambulance (and any associated equipment) furnished by Atlantic to Customer (hereinafter referred to, collectively, to as the "Ambulance") as more fully described in the specifications attached hereto as **Exhibit A** (the "Specifications") and incorporated herein for the total purchase price of \$345,608.00 USD (the "Purchase Price"). Payment shall be made as set forth on **Exhibit A**. In the event of a conflict between the Specifications and any request for proposal, request for bid, or other Customer provided or drafted documents, the Specifications shall control.

2. **Changes to Purchase Price.** If, subsequent to the Effective Date of this Agreement, there should be any price increase(s) to Atlantic from a manufacturer of the Ambulance (or any other party providing parts or materials for the Ambulance, or components therein), then the Purchase Price shall be automatically adjusted to reimburse Atlantic for said price increase(s). Atlantic may unilaterally execute Change Orders reflecting any such increase(s) to the Purchase Price without obtaining a signature from Customer, and any such Change Orders shall be binding on Customer. Atlantic shall make reasonable efforts to advise Customer of such price increase(s) within a reasonable time and provide documentation to support any changes in the Purchase Price to Customer upon request. In such event, Customer agrees to treat any pricing information provided by Atlantic as confidential and not share this information with any third party.

3. **Changes in Specifications.** If, subsequent to the Effective Date of this Agreement the manufacturer of the Ambulance (or a manufacturer of any component therein) either: 1) makes design and/or production changes, including, but not limited to future drivetrain upgrades (such as engine, transmission or axle upgrades) ("Manufacturer Modifications"); or 2) makes design or production changes to the Ambulance in order to comply with any applicable government regulation (such as the Federal Motor Vehicle Safety Standards or the Environmental Protection Agency Emissions Standards) or industry standards (such as those adopted by the National Fire Protection Association) (collectively, "Compliance Modifications"), then Atlantic shall be permitted to make delivery of the Ambulance with said Manufacturer Modifications and/or Compliance Modifications. Atlantic shall make reasonable efforts to advise the Customer of any such changes within a reasonable time. In addition, Customer and Atlantic may agree to make changes to the Specifications, but any such changes must be by written change order signed by Customer and Atlantic ("Change Order"). However, if there is an increase in cost to Atlantic resulting from Manufacturer Modifications and/or Compliance Modifications, then the provisions of Paragraph Two (2) above shall apply and Atlantic may execute Change Orders without obtaining a signature from Customer, and any such Change Orders shall be binding on Customer. Atlantic shall not be liable to Customer for any delay in performance or delivery arising from any Manufacturer Modifications, Compliance Modifications or Change Orders resulting therefrom.

4. **Cancellation or Default by Customer.** In the event that Customer cancels its order or otherwise breaches this Agreement by reason of non-payment or otherwise prior to delivery, Atlantic shall be permitted to retain possession and ownership of the Ambulance and shall not be obligated to deliver same to Customer. In addition, Atlantic and Customer agree that if such Customer breach should occur, it would be difficult to determine actual damages to Atlantic. Customer acknowledges and agrees that: 1) the Ambulance is a unique and highly customized vehicle, made specifically for Customer; 2) Atlantic has invested significant effort and incurred significant expense in the design and engineering of the Ambulance for Customer; and 3) due to its unique and customized nature, resale of the Ambulance will be difficult to a third-party without a significant loss to Atlantic. As a result, Atlantic and Customer agree that Thirty Percent (30%) of the Purchase Price is a reasonable estimate of the damages that would be incurred by Atlantic if a breach should occur in the future, and shall be due and payable to Atlantic by Customer in the event of such a breach. Customer and Atlantic agree that this amount of liquidated damages is fair and reasonable and would not constitute a penalty to Customer. In the event of non-payment by Customer subsequent to delivery, Atlantic may recover full possession of the Ambulance by any lawful means, and shall be entitled to any additional damages sustained by Atlantic as a result of any diminution of value of the Ambulance resulting from use or damage thereto to the extent that the amount of such diminution of value exceeds the liquidated damages above. Atlantic shall have and retain a purchase money security interest in the Ambulance to secure payment of the Purchase Price and all other sums owed by Customer to Atlantic. In the event of nonpayment by Customer of any debt, obligation or liability now or hereafter incurred or owing by Customer to Atlantic, Atlantic shall have and may exercise all rights and remedies of a secured party under the Uniform Commercial Code (UCC) Secured Transactions provisions as adopted by the Commonwealth of Virginia. In addition, Atlantic shall be entitled to

recovery from Customer all of Atlantic's reasonable attorneys' fees and all costs of collection resulting from non-payment or other non-performance hereunder by Customer.

5. Delivery, Inspection and Acceptance. (a) Delivery. It is estimated that the Ambulance shall be ready for delivery F.O.B. (Hampton Roads Regional Service Center) within 300 days from the receipt of chassis, subject to delays caused by the Customer, delays caused by Change Order(s) or delays provided for in Paragraphs Three (3) above and/or Eleven (11) below. The stated delivery date is an estimate only and is not guaranteed. Atlantic shall advise Customer when the Ambulance is ready for delivery. (b) Inspection and Acceptance. Upon delivery, Customer shall have fifteen (15) days within which to inspect the Ambulance for substantial conformance to the Specifications. In the event of substantial and material non-conformance to the Specifications, Customer shall furnish Atlantic with written notice sufficient to permit Atlantic to evaluate such non-conformance ("Notice of Defect") within said fifteen (15) day period. If the Ambulance is not in substantial and material conformance with the Specifications, any material and substantial defects shall be remedied by Atlantic within thirty (30) days from the Notice of Defect. In the event Atlantic does not receive a Notice of Defect within fifteen (15) days of Delivery, the Ambulance shall be deemed to be in conformance with the Specifications and fully accepted by Customer.

6. Notice. Any required or permitted notices hereunder must be given in writing at the address of each party set forth below, or to such other address as either party may substitute by written notice to the other in the manner contemplated herein, by one of the following methods: 1) hand delivery; 2) registered, express, or certified mail, postage prepaid, return receipt requested; or 3) nationally-recognized commercial overnight courier.

Atlantic Emergency Solutions, Inc.  
Director of Order Management  
12351 Randolph Ridge Lane  
Manassas, Virginia 20109

Customer  
Kempsville Rescue Squad, Inc.  
P.O. Box 62345  
Virginia Beach, VA 23466

7. Warranty. Any applicable warranty or warranties are attached hereto as **Exhibit B** (collectively, the "Warranty") and made a part hereof. Any additional warranties must be expressly approved in writing by Atlantic.

8. Disclaimer of Additional Warranties. OTHER THAN AS EXPRESSLY SET FORTH IN PARAGRAPH SEVEN (7) ABOVE AND **EXHIBIT B** TO THIS AGREEMENT, ATLANTIC (AS WELL AS ITS SUPPLIERS), THEIR PARENT COMPANIES, AFFILIATES, SUBSIDIARIES, LICENSORS OR SUPPLIERS, THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, SHAREHOLDERS, MEMBERS, MANAGERS, AGENTS AND REPRESENTATIVES MAKE NO WARRANTIES, WRITTEN OR ORAL, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE. FURTHERMORE, ANY OTHER WARRANTIES, WHETHER WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF QUALITY, IMPLIED WARRANTY OF MERCHANTABILITY, IMPLIED WARRANTY AGAINST INFRINGEMENT, AND IMPLIED WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE EXPRESSLY EXCLUDED AND DISCLAIMED. CUSTOMER FURTHER ACKNOWLEDGES THAT STATEMENTS MADE BY SALES REPRESENTATIVES OR IN PROMOTIONAL MATERIALS DO NOT CONSTITUTE WARRANTIES.

9. Exclusions of Incidental and Consequential Damages. IN NO EVENT SHALL ATLANTIC (OR ITS SUPPLIERS) BE LIABLE TO CUSTOMER FOR ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES INCURRED BY CUSTOMER (INCLUDING, BUT NOT LIMITED TO LOSS OF USE, LOSS OF BUSINESS OPPORTUNITY AND/OR LOST PROFITS) AS A RESULT OF ANY BREACH OF THIS AGREEMENT, WHETHER ARISING UNDER THEORIES OF BREACH OF CONTRACT, STRICT LIABILITY, STATUTORY LIABILITY, BREACH OF EXPRESS OR IMPLIED WARRANTY, NEGLIGENCE, TORT OR OTHERWISE.

10. Indemnity. To the extent permitted by law, Customer shall indemnify, defend and hold harmless Atlantic and all of its officers, directors, employees, representatives, dealers, agents and subcontractors, from and against any and all claims, costs, judgments, liabilities, losses, damages, attorneys' fees and expenses of any kind or nature whatsoever (including, but without limitation, relating to personal injury or death) caused by, resulting from, arising out of or occurring, directly or indirectly, in connection with Customer's purchase, operation, ownership, installation or use of any items (including, without limitation, the Ambulance) sold or supplied by Atlantic, except only to the extent solely caused by the gross negligence of Atlantic.

11. Force Majeure. Atlantic shall not be responsible nor deemed to be in default on account of any delays in performance or failure to perform due to causes which are beyond Atlantic's control, including but not limited to, wars (declared or not), terrorism, insurrections, strikes, riots, fires, hurricanes, storms, floods, earthquakes, other acts of nature, acts of God, explosions, accidents or mechanical breakdown, acts of sabotage or vandalism, any acts of government authority, delays or failures in

transportation, inability to obtain necessary labor or supplies, inability to utilize manufacturing facilities, regulations or orders affecting materials, equipment, facilities or completed products, failure to obtain any required license or certificates, epidemics, quarantine restrictions, failure of vendors to perform their contracts or labor troubles causing cessation, slowdown, or interruption of work.

12. Manufacturer's Statement of Origin. It is agreed that the manufacturer's statement of origin ("MSO") for the Ambulance covered by this Agreement shall remain in the possession of Atlantic until the entire Purchase Price has been paid. If more than one Ambulance is covered by this Agreement, then the MSO for each individual Ambulance shall remain in the possession of Atlantic until the Purchase Price for that Ambulance has been paid in full.

13. Assignment. Customer may not assign its rights and obligations under this Agreement unless it has obtained the prior written approval of Atlantic.

14. Severability. If any provision, or part hereof, of this Agreement shall be declared invalid by judicial determination or legislative action, only such provision, or part thereof, so declared invalid shall be affected, and all other provisions not consistent therewith or directly dependent thereon shall remain in force and effect.

15. Governing Law; Jurisdiction. Without regard to any conflict of law provisions, this Agreement is to be governed by and under the laws of the Commonwealth of Virginia. Atlantic and Customer further agree that the York County Circuit Court located in the Commonwealth of Virginia shall be the exclusive venue in the event of any litigation relating to this Agreement and/or the Ambulance.

16. Entire Agreement and Amendments. This Agreement constitutes the sole and only agreement between Atlantic and Customer relating to the Ambulance, and supersedes any prior understanding or written or oral agreements between the parties relating to the Ambulance. No amendment, modification or alteration of the terms hereof shall be binding unless the same is executed in writing, dated subsequent to the date hereof and duly executed by Atlantic and Customer.

17. Waiver. The waiver of any breach of any term or provision hereof by either party hereto shall not be considered a waiver of any other term or provision or of any other or later breach of this Agreement, regardless of the nature of such subsequent event or breach, unless such waiver is expressly acknowledged in writing by an authorized representative of the waiving party.

18. Captions; Counterparts. The captions and paragraph numbers appearing herein are inserted only as a matter of convenience and are not intended to define, limit, construe or describe the scope or intent of any paragraph, nor to in any way affect this Agreement or the interpretation or application thereof. This Agreement may be executed in duplicate counterparts which, when taken together, shall constitute one and the same Agreement.

Accepted and agreed to by:

**ATLANTIC EMERGENCY SOLUTIONS, INC.**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**KEMPSTOWN RESCUE SQUAD, INC.**

Signature: Kevin A. Lipscomb

Name: Kevin Lipscomb

Title: President

Date: 28 July 2023

Signature: Marisa Rifenburgh

Name: Marisa Rifenburgh

Title: Captain

Date: 28 July 2023

## **EXHIBIT A**

### **SPECIFICATIONS AND PURCHASE DETAIL FORM**

Atlantic Emergency Solutions, Inc.  
Director of Order Management  
12351 Randolph Ridge Lane  
Manassas, Virginia 20109  
Fax (703) 257-2572

Date: July 28, 2023

Customer Name: Kempsville Rescue Squad, Inc.

<b>Quantity</b>	<b>Chassis Type</b>	<b>Body Type</b>	<b>Price per Unit</b>
1	2027 Ford E-450	Wheeled Coach #3170F	\$345,608.00
			\$
			\$
			\$
			\$

Payment Terms: See "Other Terms" below.

Other Terms:

All vehicles shall be delivered on ground to the City of Virginia Beach's Fleet Management Division / City Garage located on Leroy Road. Neither the buyer nor the City shall be responsible for unloading, assisting in unloading, or assembly of any equipment.

Contract specifies that vendor will only receive final payment after the buyer and all the following buyer agents have completed their inspections and given their approval:

- a. Virginia Beach Public Works Department Automotive Services Division
- b. Virginia Beach Information Technology Department Mobile I.T. Division

If the squad is providing its own requirements document to the vendor, contract specifies that the squad's requirements document takes precedence over the vendor's build order.

Contract specifies that the VA Beach EMS Department's Technical Asset Systems Integration Requirements (TASIR) Document, KQRS Ambulance Detailed Technical Requirement, and KQRS Ambulance Graphics Package take precedence over all other requirements and build order instructions.

Specifications: A complete copy of the applicable Specifications is attached hereto and incorporated herein by this reference.

Training Requirements: N/A

If any portion of the Purchase Price is to be made subsequent to delivery of the Ambulance to Customer and it is necessary for Customer to obtain third-party financing for said payment, Customer shall provide Atlantic proof of the availability of financing at the time of the execution of this Agreement. All taxes, excises and levies that Atlantic may be required to pay or collect by reason of any present or future law or by any governmental authority based upon the sale, purchase, delivery, storage, processing, use, consumption, or transportation of the Ambulance sold by Atlantic to Customer shall be added to the Purchase Price and paid by Customer. All delivery prices or prices with freight allowance are based upon prevailing freight rates and, in the event of any increase or decrease in such rates, the Purchase Price will be increased or decreased accordingly. Delinquent payments shall be subject to a carrying charge equal to one and one-half percent (1.5%) per month or, if such amount exceeds that permitted under applicable law, then the maximum lesser percentage amount which is permitted by law.

## **EXHIBIT B**

### **WARRANTY**

#### **Conversion Warranty**

The Manufacturer shall warrant to the original retail purchaser for a period of twelve (12) months or twelve thousand (12,000) miles from the date of delivery. This ambulance conversion shall be free of substantial defects in materials and workmanship, which are attributable to the Manufacturer and which arise during the course of normal use and service.

#### **Limited Electrical Warranty**

The Manufacturer shall warrant to the original retail purchaser for a period of twelve (12) months or twelve thousand (12,000) miles from the date of delivery of the completed new custom ambulance to the end user, regardless of subsequent ownership. This product shall be free of substantial defects in materials and workmanship, which are attributable to the Manufacturer and which arise during the course of normal use and service. The Manufacturer shall correct any defect in covered parts or workmanship, with either new or used replacement parts, at the Manufacturer's option. Covered parts are limited to custom module electrical systems and components such as electrical harness, harness installation, wires (but only to the extent that wires are broken, chafed, or pinched), electrical connections, terminal blocks, junction posts, and related components.

Printed circuit boards are covered for a limited lifetime. A lifetime is defined by this Limited Electrical Warranty as; 10 years from the expiration of the original Manufacturer's standard conversion warranty which is for an unlimited mileage for a period of twelve (12) months from the date of delivery for only original retail purchaser/owner.

#### **Structural Warranty**

The Manufacturer shall warrant to the original retail purchaser only, that the module structure that is the subject of this sale is structurally sound and free from all structural defects in material and workmanship and further warrants the module structure will remain free of structural damage due to rusting caused by electrolysis. The custom module structure limited warranty is in effect for the lifetime of a new vehicle. For the purpose of the lifetime custom module limited warranty, a lifetime is defined by the Manufacturer as; 20 years from the date of original retail owner's purchase/in service date from the Manufacturer or the period of time the ambulance is in continuous front line service with the original retail purchaser.

In the event of a module remount this custom module structural warranty shall remain in effect provided the remount work is completed within the defined lifetime period, and remount work is completed by the Manufacturer or a facility authorized by the Manufacturer.

This limited warranty covers repairs or replacement of any part of your new custom ambulance module structure (hereinafter Covered Parts) in which a defect in materials or workmanship appears during normal use, maintenance or service within the limited warranty period, subject to the limitations and exclusions.

#### **LIMITED LIFETIME CABINET CONSTRUCTION WARRANTY**

The Manufacturer shall warrant to the original retail purchaser upon expiration of the attached twelve (12) months standard conversion vehicle warranty. The following parts or components of the patient compartment cabinets of the vehicle will remain free from defects in material and workmanship:

- ☐ That the wood or non-wood material used for the construction of the cabinets shall not delaminate.
- ☐ That the wooden dowels used for the construction of the cabinets shall not allow the cabinet sections to separate.

This Cabinet Construction Warranty commences upon the expiration of the original Manufacturer's twelve (12) months standard conversion vehicle warranty and continues for the lifetime of the vehicle for the original owner on the original chassis. For the purpose of the Limited Lifetime Cabinet Construction Warranty, a lifetime is defined by the Manufacturer as; 10 years from the expiration of the original Manufacturer's twelve (12) months standard conversion vehicle warranty for only the only original retail purchaser/owner.

## **BODY PAINT WARRANTY**

The Manufacturer shall warrant to the original retail purchaser, under normal use and service, each new ambulance modular body paint job is free of all material and workmanship defects for a prorated period of five (5) years from the date of delivery. All warranty service is subject to the Manufacturer's prior examination and (written) approval.

The paint applied by the Manufacturer is limited to the original user and limited to the exterior painted surface of the module according to this warranty schedule:

0-36 months 100%

37-48 months 50%

49-60 months 25%

The warranty provided herein shall cover and extend to the following properties of the paint system according to the warranty schedule:

- ☐ Loss of adhesion of the paint system resulting in rust
- ☐ Cracking of paint system
- ☐ Fading or loss of gloss