

Agenda Summary Report (ASR)

Franklin County Board of Commissioners

DATE SUBMITTED: 12/5/2019	PREPARED BY: Laura Stark, Administrative Assistant
Meeting Date Requested: 12/17/2019	PRESENTED BY: Matt Mahoney Public Works Director
ITEM: (Select One) <input checked="" type="checkbox"/> Consent Agenda <input type="checkbox"/> To Be Brought Before the Board Time needed: <u>N/A</u>	
SUBJECT: Governmental Equipment Lease-Purchase Agreement for a 2019 John Deere Model 644K 4WD Loader and surplus declaration of LD-1337, a 1990 John Deere Loader, to be used as trade in.	
FISCAL IMPACT: The Lease-Purchase of a new 2019 John Deere Model 664K 4WD Loader will cost \$45,091.73 plus tax in 2019 (First Payment will reflect deduction of \$30,000 Trade-In of existing Loader, ID #LD-1337), \$45,091.73 + plus tax and interest in 2020, \$45,091.73 plus tax and interest in 2021, \$45,091.73 plus tax and interest in 2022, \$45,091.73 plus tax and interest in 2023. The total five year cost for the Loader is \$212,706.24 (plus tax and % interest) which will be paid from the Motor Vehicle (ER&R) fund, 59448000 Capital Expenditures/Expenses – Public Works Central Services.	
BACKGROUND: The new John Deere 140M3 Loader will replace #LD-1337, Serial Number DW664ED527705, Engine Number RG6076T125853, a 1990 John Deere Loader, which will be traded in as part of the purchase. #LD-1337, purchased in March of 1991, has reached the end of its useful life for Franklin County Public Works and should be declared surplus to allow the trade in towards the new loader. In accordance with RCW 39.34, local governments may make purchases using another agency's purchasing contract. Franklin County has entered into a Joint Powers Agreement with the National Joint Powers Alliance, via Franklin County Resolution Number 2016-387. The National Joint Powers Alliance has a Source Well Contract No.032515-JDC with John Deere Corporation for the procurement of Heavy Construction Equipment, and under this contract, John Deere's authorized dealer for the Franklin County service area is Pape Machinery of Pasco, Washington. Pursuant to RCW 36.01.010 and RCW 36.32.120 the legislative authority of each county is authorized to enter into contracts on behalf of the County and have the care of County property and management of County funds and business. The Board of Franklin County Commissioners constitutes the legislative authority of Franklin. In accordance with <i>RCW 36.34.020</i> , the Board of Franklin County Commissioners are not required to publish a notice of intention to sell when personal property to be disposed of is to be traded in upon the purchase of a like article. The Public Works Director is requesting that the Board of Franklin County Commissioners authorize the Public Works Department to procure, via lease-purchase agreement through the National Joint Powers Alliance Source Well Contract #032515-JDC, one (1) John Deere Loader from Pape Machinery of Pasco, Washington and the declaration of surplus of LD-1337, a 1990 John Deere Loader to be utilized as trade in. Should the Board approve the procurement, via lease-purchase, Franklin County will need to insure the necessary budget for the lease-purchase in each successive year, in accordance with the Governmental Equipment Lease-Purchase Agreement.	
RECOMMENDATION: Staff recommends the Lease-Purchase of a 2019 John Deere Model 644E 4WD Loader and the declaration of surplus of LD-1337, a 1990 John Deere Loader, to be utilized as trade in.	

<p>SUGGESTED MOTION: I hereby move that the Board of Franklin County Commissioners authorize the Public Works Department to Lease-Purchase a 2019 John Deere 644E 4WD Loader, through the National Joint Powers Alliance Source Well Contract #032515-JDC, from Pape Machinery of Pasco, Washington and that the 1991 John Deere Loader, ID #LD-1337 is hereby declared surplus and is authorized to be utilized as trade in and to therefore have the County Auditor remove the equipment from the inventory list for the Motor Vehicle (ER&R) Fund; and</p> <p>The Chairman of the Board of Franklin County Commissioners be, and hereby is, authorized to sign the equipment title, for release of Franklin County's interest in said equipment, on behalf of Franklin County.</p>	
<p>COORDINATION: This package has been discussed with and is supported by Craig Erdman, County Engineer/Assistant Public Works Director, Laura Stark, Administrative Assistant, Greg Snyder, Shop Supervisor, Scott Garberg, Pasco Road Supervisor, and John White, Connell Road Supervisor. The Governmental Equipment Lease-Purchase Agreement and Pape Machinery's Guarantee Purchase Agreement were submitted to the Franklin County Prosecuting Attorney's office for review and have been approved as to form by Jennifer Johnson, Chief Civil Deputy Prosecuting Attorney.</p>	
<p>ATTACHMENTS:</p> <ol style="list-style-type: none"> 1. DRAFT Resolution 2. Title for #LD-1337 for signature releasing interest 3. Governmental Equipment Lease-Purchase Agreement (2 Originals) 	
<p>HANDLING/ROUTING: Clerk of the Board: 1 – Original Resolution</p>	<p>Public Works Department: 1 – Copy Resolution, and * 2 Original Agreements Auditor - Accounting: 1 – Copy Resolution</p> <p><small>*Public Works will deliver to vendor and return one (1) fully executed agreement to the Clerk of the Board.</small></p>

I certify the above information is accurate and complete.



Matt Mahoney, Public Works Director

FRANKLIN COUNTY RESOLUTION _____

**BEFORE THE BOARD OF COMMISSIONERS OF
FRANKLIN COUNTY WASHINGTON**

***LEASE-PURCHASE OF JOHN DEERE 644K 4WD LOADER AND DECLARATION
SURPLUS OF LD-1337 TO BE UTILIZED AS TRADE IN***

WHEREAS, the Franklin County Public Works Department maintains county property, through the Motor Vehicle (ER&R) Fund, including a 1990 John Deere 644E Loader (LD-1337); and

WHEREAS, in accordance with RCW 36.33A.030, the Board of Franklin County Commissioners have appointed the Public Works Director as the administrator of the Motor Vehicle (ER&R) Fund; and

WHEREAS, the Public Works Director has determined, due to LD-1337 reaching the end of its serviceable lifetime for Franklin County, that it is in the best interest of the County to trade-in its 1990 John Deere 644E Loader (LD-1337), Serial Number DW644ED527705, Engine Number RG607T125853, to Pape Machinery at a price of \$30,000; and

WHEREAS, in accordance with RCW 39.34, local governments may make purchases using another agency's purchasing contract; and

WHEREAS, Franklin County has entered into a Joint Powers Agreement with the National Joint Powers Alliance, via Franklin County Resolution Number 2016-387; and

WHEREAS, the National Joint Powers Alliance has a Contract No. 032515-JDC with John Deere Corporation for the procurement of Heavy Construction Equipment, and under this contract, John Deere's authorized dealer for the Franklin County service area is Pape Machinery of Pasco, Washington; and

WHEREAS, pursuant to RCW 36.01.010 and RCW 36.32.120 the legislative authority of each county is authorized to enter into contracts on behalf of the County and have the care of County property and management of County funds and business; and

WHEREAS, the Board of Franklin County Commissioners constitutes the legislative authority of Franklin County and finds that the procurement of vehicles and equipment via the National Joint Powers Alliance, as being in the best interest of Franklin County, desires to enter into attached Governmental Equipment Lease Purchase Agreement; and

WHEREAS, in accordance with *RCW 36.34.020*, the Board of Franklin County Commissioners are not required to publish a notice of intention to sell when personal property to be disposed of is to be traded in upon the purchase of a like article.

FRANKLIN COUNTY RESOLUTION _____

NOW, THEREFORE, BE IT RESOLVED that the Board of Franklin County Commissioners authorize the Public Works Department to procure, via lease-purchase agreement through the National Joint Powers Alliance Master Contract, one (1) 2019 John Deere 644K 4WD Loader from Western States of Pasco, Washington; and

BE IT FURTHER RESOLVED that Franklin County shall insure for the necessary budget for the lease-purchase in each successive year, in accordance with the Governmental Equipment Lease-Purchase Agreement; and

BE IT FURTHER RESOLVED that the Chairman of the Board of Franklin County Commissioners be, and hereby is, authorized to sign said Governmental Equipment Lease-Purchase Agreement between Franklin County and John Deere Corporation; and

BE IT FURTHER RESOLVED that the 1990 John Deere 644E Loader, (LD-1337) be declared surplus and traded in as part of the lease-purchase of the John Deere 644K 4WD Loader and to therefore have the County Auditor remove the property from the inventory list for the Motor Vehicle (ER&R) Fund; and

BE IT FURTHER RESOLVED, that the Chairman of the Board of Franklin County Commissioners be, and hereby is, authorized to sign the equipment title, for release of Franklin County's interest in said equipment, on behalf of Franklin County.

APPROVED this 17th day of December, 2019

**BOARD OF COUNTY COMMISSIONERS
FRANKLIN COUNTY, WASHINGTON**

Chair

Attest:

Chair Pro Tem

Clerk of the Board

Member

Originals: Clerk of the Board

Copy: Public Works Department
County Auditor / Accounting



**JOHN DEERE
FINANCIAL**

Application ID: **12980563**
Version Number: 8

LEASE PURCHASE AGREEMENT

LESSEE'S NAME AND PHYSICAL ADDRESS

FRANKLIN COUNTY PUBLIC WORKS E R & R FUND
3416 STEARMAN AVE
PASCO, WA 99301-7104

LESSEE'S
TAX ID NUMBER
J1316

LESSEE'S
PHONE NO.
509-545-3539

TYPE OF
BUSINESS
County Government

LESSEE RESIDES IN (County/State)
FRANKLIN, WA

LESSEE AGREES TO KEEP GOODS IN (County/State)
See Equipment Location and County for each Item of Equipment below

NAME AND TITLE OF SIGNING OFFICER
ROBERT E KOCH - CHAIRMAN OF THE BOARD

LESSOR'S NAME AND ADDRESS

Deere Credit, Inc.
P.O. Box 6600
Johnston, IA 50131-2945

PHONE NUMBER

800-828-8297

This Lease Purchase Agreement, ("Lease Agreement") is entered into between Deere Credit, Inc.; as Lessor ("we", "us" or "our"), and the Lessee and any Co-Lessee identified above ("you" or "your").

Each Lessee and Co-Lessee shall be jointly and severally liable for all obligations under this Lease Agreement.

EQUIPMENT LEASED

Year	Manufacturer	Equipment Description	Equipment Location	County	Outside City Limits
2019	JOHN DEERE	644K 4WD LOADER	PASCO, WA	FRANKLIN	Yes

ADDITIONAL DETAILS

Product ID	Engine Hour Meter	Asset Level Payment*	Selling Price
1DW644KZHKF699874	4	\$45,091.73	\$242,703.24

*Asset Level Payments may not include applicable sales taxes. For purposes of this Lease Agreement, "Lease Payments" means the Lease Payment as identified below.

LEASE PAYMENTS

LEASE TERM START DATE: December 10, 2019
LEASE TERM END DATE: December 10, 2024

The first Lease Payment Due Date is December 10, 2019 and each successive Lease Payment is due on the same day of the Year thereafter, (the "Billing Period"), unless otherwise provided below

NUMBER OF PAYMENTS	AGGREGATE OF ASSET LEVEL PAYMENTS	SALES/USE TAX	LEASE PAYMENT	DUE DATE
6	\$45,091.73	\$3,877.89	\$48,969.62	December 10, 2019

Amortization Schedule

Nominal Annual Rate		2.95%			
Payment Number	Date	Lease Payment	Interest	Principal	Principal Balance
1	December 10, 2019	\$45,091.73	\$0.00	\$45,091.73	\$167,650.51
2	December 10, 2020	\$45,091.73	\$5,013.12	\$40,078.61	\$127,571.90
3	December 10, 2021	\$45,091.73	\$3,814.68	\$41,277.05	\$86,294.85

THE TERMS OF THIS CONTRACT ARE CONTAINED ON MORE THAN ONE PAGE

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Payment Number	Date	Lease Payment	Interest	Principal	Principal Balance
4	December 10, 2022	\$45,091.73	\$2,580.40	\$42,511.33	\$43,783.62
5	December 10, 2023	\$45,091.73	\$1,309.21	\$43,782.52	\$1.00

TERMS AND CONDITIONS

1. **Lease Term: Payments.** You agree to lease from us the Equipment described in this Lease Agreement for the Lease Term. The Lease Term will begin on the Lease Term Start Date and end on the Lease Term End Date. All attachments and accessories itemized in this Lease Agreement and all replacements, parts and repairs to the Equipment shall form part of the Equipment. This Lease Agreement is not accepted by us until we sign it, even if you have made a payment to us. You agree to remit the Lease Payments indicated above each Billing Period and all other amounts (including applicable sales, use and property taxes) when due to: DEERE CREDIT, INC., P.O. Box 4450, Carol Stream, IL 60197-4450, even if we do not send you a bill or an invoice. **YOUR PAYMENT OBLIGATIONS ARE ABSOLUTE, UNCONDITIONAL, AND NOT SUBJECT TO CANCELLATION, REDUCTION OR SETOFF FOR ANY REASON WHATSOEVER.** For any payment which is not received by its due date, you agree to pay a late charge equal to 4.000% of the past due amount (not to exceed the maximum amount permitted by law) as reasonable collection costs, plus interest from the due date until paid at a rate of 1.5% per month, but in no event more than the maximum lawful rate.

2. **Non-Appropriation of Funds.** You intend to remit to us all Lease Payments and other payments for the full Lease Term if funds are legally available. In the event you are not granted an appropriation of funds at any time during the Lease Term for the Equipment or for equipment which is functionally similar to the Equipment and operating funds are not otherwise available to you to remit Lease Payments and other payments due and to become due under the Lease, and there is no other legal procedure or available funds by or with which payment can be made to us, and the non-appropriation did not result from an act or omission by you, you shall have the right to return the Equipment in accordance with Section 8 of this Lease Agreement and terminate the Lease on the last day of the fiscal period for which appropriations were received without penalty or expense to you, except as to the portion of the Lease Payments for which funds shall have been appropriated and budgeted. At least 30 days prior to the end of your fiscal period, your chief executive officer (or legal counsel) shall certify in writing that (a) funds have not been appropriated for the fiscal period, (b) such non-appropriation did not result from any act or failure to act by you, and (c) you have exhausted all funds legally available to pay Lease Payments. If you terminate the Lease because of a non-appropriation of funds, you may not, to the extent permitted by applicable law, purchase, lease, or rent, during the subsequent fiscal period, equipment performing the same functions as, or functions taking the place of, those performed by the Equipment. This Section 2 shall not permit you to terminate the Lease Agreement in order to acquire any other equipment or to allocate funds directly or indirectly to perform essentially the application for which the Equipment is intended.

3. **Taxes.** Although you may be exempt from the payment of certain taxes, you agree to pay us when invoiced (a) all sales, use, rental, gross receipts and all other taxes which may be imposed on the Equipment or its use, and (b) all taxes and governmental charges associated with the ownership, use or possession of the Equipment including, but not limited to, personal property and ad valorem taxes ("Taxes"). Taxes do not include those measured by our net income. If applicable law requires tax returns or reports to be filed by you, you agree to promptly file such tax returns and reports and deliver copies to us. You agree to keep and make available to us all tax returns and reports for taxes paid by you.

4. **Ownership: Missing Information.** You shall have title to the Equipment immediately upon delivery and shall be the owner of the Equipment. You (a) grant us and our affiliates a security interest in the Equipment (and all proceeds) to secure all of your obligations under the Lease Agreement and any other obligations, which you may have, to us or any of our affiliates, and (b) authorize us to file financing statements naming you as debtor. You agree to keep the Equipment free and clear of liens and encumbrances, except those in our favor, and promptly notify us if a lien or encumbrance is placed or threatened against the Equipment. You irrevocably authorize us, at any time, to (a) insert or correct information on this Lease Agreement, including your correct legal name, serial numbers and Equipment descriptions; (b) submit notices and proofs of loss for any required insurance; and (c) endorse your name on remittances for insurance and Equipment sale or lease proceeds.

5. **Equipment Maintenance, Operation and Use.** You agree to (a) not move the Equipment to another county or state without notifying us within 30 days; (b) operate and maintain the Equipment in accordance with all (i) laws, ordinances and regulations, (ii) manuals and other instructions issued by the manufacturer(s) and supplier(s), and (iii) insurance policy terms and requirements; (c) perform (at your own expense) all maintenance and repairs necessary to keep the Equipment in as good a condition as when delivered to you, reasonable wear excepted; (d) not install or use any accessory or device on the Equipment which may damage or otherwise negatively affects the value, manufacturer warranty coverage, useful life or the originally intended function or use of the Equipment in any way, unless it can be removed without damaging the Equipment; (e) remove any non-financed accessory or device which is not otherwise prohibited under subsection (d) above before lease expiration or earlier termination, without damaging the Equipment; (f) allow us and our agent(s) to inspect the Equipment and all of your records related to its use, maintenance and repair, at any reasonable time; (g) keep any metering device installed on the Equipment connected and in good working condition at all times; (h) affix and maintain, in a prominent place on the Equipment, any labels, plates or other markings we may provide to you; and (i) not permit the Equipment to be used by, or to be in the possession of, anyone other than you or your employees.

6. **Insurance.** You agree, at your cost, to (a) keep the Equipment insured against all risks of physical damage for no less than the Principal Balance (as indicated in the Amortization Schedule attached to and made part of this Lease Agreement), naming Deere Credit, Inc. (and our successors and assigns) as sole loss payee; and (b) maintain public liability insurance, covering personal injury and property damage for not less than \$1,000,000 per occurrence, naming Deere Credit, Inc. (and our successors and assigns) as additional insured. All insurance must be with companies and policies acceptable to us. Your obligation to insure the Equipment continues until you return the Equipment to us and we accept it. Each insurance policy must provide that (a) our interest in the policy will not be invalidated by any act, omission, breach or neglect of anyone other than us; and (b) the insurer will give us at least 30 days prior written notice before any cancellation of, or material change to, the policy.

Unless you provide us with evidence of the required insurance coverages, we may purchase insurance, at your expense, to protect our interests in the Equipment. This insurance may not (a) protect your interests; or (b) pay any claim that you make or any claim that is made against you in connection with the Equipment. You may later cancel any insurance purchased by us, but only after providing us with evidence that you have obtained the insurance required by this Lease Agreement. The cost of the insurance may be more than the cost of insurance you may be able to obtain on your own.

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7. **Loss or Damage.** Until the Equipment is returned to us in satisfactory condition you are responsible for all risk of loss, damage, theft, destruction or seizure of the Equipment (an "Event of Loss"). You must promptly notify us of any Event of Loss. If the Equipment can be repaired or replaced, you agree to promptly repair or replace the Equipment, at your cost, and the terms of this Lease Agreement will continue to apply. If the Equipment cannot be repaired or replaced, you agree to pay us, the Principal Balance, as determined by us of the day before such Event of Loss occurred. Upon receipt of the Principal Balance, we will transfer to you (or the Insurance company) all of our rights, title and interest in such item(s) of Equipment (each, an "Item of Equipment") AS-IS, WHERE-IS, WITHOUT ANY WARRANTY AS TO CONDITION OR VALUE.

All Insurance proceeds must be paid directly to us, and we may apply any excess insurance proceeds to any other amounts you owe us. "Discount Rate" shall mean the Internal Rate of Return minus two percentage points (2%).

8. **Return of Equipment.** If this Lease Agreement is terminated for any reason including, but not limited to, a non-appropriation of funds pursuant to Section 2 of this Lease Agreement you agree to return all Equipment to the nearest John Deere dealer that sells equipment substantially similar to the Equipment, at your expense and in satisfactory condition, along with all use, maintenance and repair records. Equipment is in satisfactory condition if it is in as good a condition as when the Equipment was delivered to you, reasonable wear excepted.

9. **Default.** You will be in default if: (a) you fail to remit to us any Lease Payment or other payment when due; (b) you breach any other provision of this Lease Agreement and fail to cure such breach within 10 days; (c) a default occurs under any other agreement between you and us (or any of our affiliates); or (d) you fail to maintain the insurance required by Section 6. Time is of the essence under this Lease Agreement.

10. **Remedies.** If a default occurs, we may, to extent permitted by applicable law, do one or more of the following: (a) recover from you, AS LIQUIDATED DAMAGES FOR LOSS OF BARGAIN AND NOT AS A PENALTY, the Principal Balance as of the date of such default; (b) declare any other agreements between you and us (or any of our affiliates) in default; (c) terminate any of your rights (but none of your obligations) under this Lease Agreement and any other agreement between you and us (or any of our affiliates); (d) require you to return the Equipment in the manner outlined in Section 8, or take possession of the Equipment; (e) lease or sell the Equipment or any portion thereof at a public or private sale; (f) apply the net proceeds we receive from any sale, lease or other disposition of the Equipment (after deducting all of our costs and expenses) to your obligations under the Lease, with you remaining liable for any deficiency; (g) charge you for expenses incurred in connection with the enforcement of our remedies including, without limitation, repossession, repair and collection costs, attorney's fees and court costs; (h) exercise any other remedy available at law or in equity; and (i) if you are in default of subsection (d) of Section 6 above the Termination Value as of the date of such default; (j) take on your behalf (at your expense) any action required by this Lease Agreement which you fail to take. These remedies are cumulative, are in addition to any other remedies provided by law, and may be exercised concurrently or separately. Any failure or delay by us to exercise any right shall not operate as a waiver of any other right or future right.

11. **Assignment.** You will not assign, pledge or otherwise transfer any of your rights or interests in this Lease Agreement or any Equipment without our prior written consent. Any assignment without our consent will be void. We may assign this Lease Agreement or our interest in the Equipment at any time without notice to you and without your consent. We may provide information about you to any prospective assignee or participant. You agree not to assert against our assignee any claims, offsets or defenses which you may have against us.

12. **Indemnity.** You are responsible for all losses, damage, claims, injuries to or the death of an individual, and attorney's fees and costs ("Claims"), incurred or asserted by any person, in any manner related to the Equipment or the lease thereof, including its use, condition or possession. To the extent permitted under applicable law, you agree to defend and indemnify us, and hold us harmless, against all Claims, although we reserve the right to control the defense and to select or approve defense counsel. You agree to not bring any action for Claims against us. You will promptly notify us of all Claims made. Your liability under this Section is not limited to the amounts of insurance required under the Lease. This Indemnity continues beyond the termination of a Schedule, for acts or omissions, which occurred during the Lease Term.

13. **Time Price.** You understand that the Equipment may be purchased for cash or it may be purchased pursuant to the terms of the Lease for a Time Price. "Time Price" shall be equal to the sum of (1) all Lease Payments due and to become due thereunder, and (2) the Origination Fee. By executing the Lease, you have chosen to purchase the Equipment for that Time Price. You and we intend to comply with all applicable laws. In no event will we charge or collect any amounts in excess of those allowed by applicable law. In the event any amount in excess of that allowed by law is charged or recovered, any such charge will be deemed limited by the amount legally allowed and any amount received by us in excess of that legally allowed will be applied by us to the payment of amounts legally allowed under the Lease, or refunded to you.

14. **Representations and Warranties.** You represent and warrant to us, as of the date of this Lease Agreement, and covenant to us so long as this Lease Agreement is in effect, that: (a) you are a State, or a political subdivision thereof, for purposes of Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"); (b) any documents required to be delivered in connection with the Lease (collectively, the "Documents") have been duly authorized by you in accordance with all applicable laws, rules, ordinances, and regulations; (c) the Documents are valid, legal, binding agreements, enforceable in accordance with their terms and the person(s) signing the Documents have the authority to do so, are acting with the full authorization of your governing body, and hold the offices indicated below their signatures; (d) the Equipment is essential to the immediate performance of a governmental or proprietary function by you within the scope of your authority and shall be used during the Lease Term only by you and only to perform such function; (e) you intend to use the Equipment for the entire Lease Term and shall take all necessary action to include in your annual budget any funds required to fulfill your obligations each fiscal period during the Lease Term; (f) you have complied fully with all applicable law governing open meetings, public bidding and appropriations, required in connection with the Lease and the debt under applicable state law; (g) your obligations to remit Lease Payments and other amounts due and to become due under the Lease constitute a current expense and not a debt under applicable state law; (h) all financial information you have provided is true and a reasonable representation of your financial condition; (i) you shall not do or cause to be done any act which shall cause, or by omission of any act allow the interest portion of any Lease Payment to become includible in our gross income for Federal income taxation purposes under the Code; (j) you shall maintain a complete and accurate account of all assignments of the Lease in the form sufficient to comply with book entry requirements of Section 149(a) of the Code and the regulations prescribed thereunder from time to time; and (k) you shall comply with the information reporting requirements of Section 149(e) of the Code. Such compliance shall include, but not be limited to, the execution of 8038-G or 8038-GC Information Returns.

You represent and warrant to us, as of the date you signed this Schedule, that (a) the Equipment was selected by you; (b) the Equipment (including all manufacturer manuals and instructions) has been delivered to, and examined by, you; (c) the safe operation and the proper servicing of the Equipment were explained to you; (d) you received the written warranty applicable to the Equipment and understand that your rights under the written warranty may be limited; (e) the Equipment is unconditionally and

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irrevocably accepted by you as being suitable for its intended use; (f) the Equipment is in good condition and repair (operating and otherwise); (g) the Equipment shall be used only for the purpose indicated herein; (8) all information provided to us by you is true and correct.

You acknowledge and agree that: (a) we did not select, manufacture or supply any of the Equipment; (b) we acquired the Equipment at your direction; (c) you selected the supplier of the Equipment; (d) you are entitled to all manufacturer warranties ("Warranty Rights") and we assign all Warranty Rights to you, to the extent assignable; (e) you may request an accurate and complete statement of the Warranty Rights, including any disclaimers and limitations, directly from the manufacturer; and (f) you assign to us all your rights (but none of your obligations) under all purchase orders, purchase agreements or similar documents relating to the Equipment. You waive all rights and remedies conferred upon a lessee under Sections 508-522 of Article 2A of the Uniform Commercial Code.

15. Miscellaneous. WE HAVE NOT MADE, AND DO NOT MAKE, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE EQUIPMENT'S MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY, OR OTHERWISE. WE ARE NOT LIABLE FOR CONSEQUENTIAL OR SPECIAL DAMAGES. You acknowledge that no supplier or dealer of the Equipment is an agent of ours, or authorized to act for or bind us. You agree not to withhold any amount you owe us if you believe you have a claim against us, or any Equipment supplier(s) or manufacturer(s), but to pursue that claim independently. Any claim you have against us must be made within two years after the event that caused it. All notices must be in writing and will be deemed given 5 days after mailing to the intended recipient at its address indicated above, unless changed by a notice given in accordance with this Section. This Lease Agreement supersedes and replaces all prior understandings and communications (oral or written) concerning the subject matter thereof. Except as otherwise provided in Section 10(c) no part of this Lease Agreement can be amended, waived or terminated except by a writing signed by both you and us. Any part of this Lease Agreement may be signed in separate counterparts that, together, will constitute one document. If a court finds any part of this Lease Agreement to be invalid or unenforceable, the remainder of this Lease Agreement will remain in effect. You permit us to monitor and record telephone conversations between you and us. By providing any telephone number, including a mobile phone number, to us, any of our affiliates or any debt collectors we retain, we, such affiliates and such retained debt collectors can contact you using that number, including calls using an automatic dialing and announcing device and prerecorded calls, and that such calls are not "unsolicited" under state or federal law. All of our rights under this Lease Agreement shall remain in effect after the expiration of the Lease Term or termination of this Lease Agreement.

You agree that we can access any information regarding the location, maintenance, operation and condition of the Equipment, and you irrevocably authorize anyone in possession of such information to provide all of that information to us upon our request. You also agree to not disable or otherwise interfere with any information-gathering or transmission device within or attached to the Equipment.

Notwithstanding any other election you make, you agree that (a) we can access, retain and use, at any times we elect any information regarding the location, maintenance, operation and condition of the Equipment; (b) you irrevocably authorize anyone in possession of that information to provide all of that information to us upon our request until our security interest in the Equipment is terminated; (c) you will not disable or otherwise interfere with any information gathering or transmission device within or attached to the Equipment; and (d) we may reactivate any such device.

THE TERMS OF THIS LEASE AGREEMENT SHOULD BE READ CAREFULLY BEFORE SIGNING BECAUSE ONLY THESE WRITTEN TERMS ARE ENFORCEABLE. NO OTHER TERMS OR ORAL PROMISES MAY BE LEGALLY ENFORCED. BY SIGNING THIS LEASE AGREEMENT, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS SET FORTH IN THIS LEASE AGREEMENT. THIS LEASE AGREEMENT IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN YOU AND US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.

NOTICES TO THE LESSEE- DO NOT SIGN THIS LEASE AGREEMENT IN BLANK. YOU ARE ENTITLED TO A COPY OF THE LEASE AGREEMENT AT THE TIME YOU SIGN IT TO PROTECT YOUR LEGAL RIGHTS.

FRANKLIN COUNTY PUBLIC WORKS E R & R FUND

Approved as to form:

PROSECUTING ATTORNEY'S OFFICE

By:

(Date Signed)

ROBERT E KOCH, CHAIRMAN OF THE BOARD

Accepted By: Deere Credit, Inc. (Lessor)

6400 NW 86th Street, Johnston, IA 50131-6600

By:

(Date Agreement Signed)

(Authorized Signature)

THE TERMS OF THIS CONTRACT ARE CONTAINED ON MORE THAN ONE PAGE

DOC7001

Settlement Nbr: 12980563

Application ID: 12980563

Equipment Type: Construction & Forestry Commercial

Version Number: 8

12/03/2019 07:46 AM

Page 4 of 4

Revision Date: 22 September 2019





JOHN DEERE FINANCIAL

Delivery and Acknowledgment

LESSEE:	FRANKLIN COUNTY PUBLIC WORKS E R & R FUND 3416 STEARMAN AVE, PASCO, WA 99301-7104
LESSOR:	DEERE CREDIT, INC. 6400 NW 86th ST, PO BOX 6600, JOHNSTON, IA 50131-6600

Capitalized terms shall have the meanings set forth in the Lease Agreement.

You hereby represent and warrant that: (a) all of the Equipment more fully described in the Lease Agreement was selected by you; (b) all of the Equipment and the Operator's Manuals have been delivered to, and received by, you; (c) you received the manufacturer's written warranty applicable to the Equipment and you understand that your rights are subject to the limitations outlined therein; (d) the safe operation and the proper servicing of the Equipment has been explained to you; (e) all of the Equipment has been inspected by you and is in good working order and repair (operating or otherwise); (f) the Equipment shall be used only for the purpose indicated in the Lease Agreement; (g) all of the Equipment is unconditionally and irrevocably accepted by you for all purposes under the Lease Agreement; and (h) all information you provide to us is true and correct.

Signed by Lessee's duly authorized representative on the data shown below.

FRANKLIN COUNTY PUBLIC WORKS E R & R FUND

By:

(Date Signed)

ROBERT E KOCH, CHAIRMAN OF THE BOARD





JOHN DEERE FINANCIAL

Physical Damage/Liability Insurance

LESSEE:	FRANKLIN COUNTY PUBLIC WORKS E R & R FUND 3416 STEARMAN AVE, PASCO, WA 99301-7104		
LESSOR:	DEERE CREDIT, INC. 6400 NW 86th ST, PO BOX 6600, JOHNSTON, IA 50131-6600		
LIABILITY INSURANCE on the Lease Purchase Agreement will be provided by the following Insurance agency:			
Name of Agency:		Phone Number of Agency:	
Mailing Address of Agency:		Fax Number of Agency:	
PHYSICAL DAMAGE INSURANCE on the Lease Purchase Agreement will be provided by the following agency:			
Name of Agency:		Phone Number of Agency:	
Mailing Address of Agency:		Fax Number of Agency:	
If an insurance certificate is available, in place of the above information, it should be provided to: ADDITIONAL INSURED and LOSS PAYEE: Deere Credit, Inc. Its Successors &/or Assigns 6400 NW 86th St Johnston, IA 50131			
I agree and understand that, pursuant to the provisions of Section 6 of the Lease Purchase Agreement, I must at all times (a) maintain public liability insurance, covering personal injury and property damage for not less than \$1,000,000 per occurrence, naming Deere Credit, Inc. (and its successors and assigns) as additional insured; and (b) keep the Equipment Insured against all risks of physical damage for no less than the Principal Balance (as indicated in the Amortization Schedule attached to and made part of the Lease Purchase Agreement), naming Deere Credit, Inc. (and its successors and assigns) as sole loss payee.			
NOTICES TO LESSEE- DO NOT SIGN THIS PHYSICAL DAMAGE/LIABILITY INSURANCE IN BLANK. YOU ARE ENTITLED TO A COPY OF THE PHYSICAL DAMAGE/LIABILITY INSURANCE AT THE TIME YOU SIGN IT TO PROTECT YOUR LEGAL RIGHTS.			

FRANKLIN COUNTY PUBLIC WORKS E R & R FUND

By:

(Date Signed)

ROBERT E KOCH, CHAIRMAN OF THE BOARD





John Deere 644K Wheel Loader
Greg Snyder
Franklin County Public Works
E R & R Fund
November 26, 2019
Quote #20438398

Hello Greg:

We at Pape' Machinery appreciate the opportunity to offer our John Deere 644K Wheel Loader for your consideration per our Sourcewell contract # 032515-JDC. The machine is configured as follows:

John Deere 644K Wheel Loader

Code	Description	Price
7660T	644K Wheel Loader	\$282,152.00
170C	JDLINK Ultimate Cellular - 5 Years	No Added Cost
0810	Standard Gathering Group	No Added Cost
0924	John Deere PowerTech PSS 9.0L Engine meets EPA FT4 Emissions	\$40,616.00
1010	Standard Loader	No Added Cost
1110	Transmission w/o Lock up torque converter	(\$3,900.00)
1215	130 Amp Alternator	\$585.00
1330	Engine Exhaust with Chrome Curved Stack	\$344.00
1430	Air Intake System with Centrifugal Precleaner Engine	\$617.00
1520	Reversing Fan Drive	\$1,683.00
1610	Standard Fuel Filter & Water Separator	No Added Cost
1910	Greased Steering Cylinder Joints	No Added Cost
2010	Standard Z-Bar	No Added Cost
2120	Steering Wheel Only	No Added Cost
2230	Premium Heated, Leather/Fabric, High-Wide Back w/ Head Rest Extension, Air Suspension Seat w/ Conventional Left Arm Rest	\$829.00
2434	3 Function – Joystick with 3 rd Function Auxiliary Control Lever and Steering Column F-N-R	\$2,939.00
2510	Ride Control	\$4,818.00
2605	English Decals	No Added Cost
2715	24 Volt to 12 Volt – 15 Amp Converter	\$115.00
2890	No Payload Scale	No Added Cost
3046	Front Hydraulically Locking Differential and Rear Conventional Differential Axles	No Added Cost
3120	Manual Axle Differential Lock	No Added Cost
4935	23.5R25 L3 Single Star Radial Tires with 3 Piece Rims	\$21,812.00
5320	Less Tire Pressure Monitoring System	No Added Cost
5540	Full Coverage Front Fenders	\$558.00
5610	Left Side Steps	No Added Cost
7120	Halogen Work and Drive Lights	\$257.00
8310	Standard Outside Mirrors	No Added Cost
8422	ROPS Quiet Cab with Air Conditioning	No Added Cost
8450	Cab with Air A/C Charge	No Added Cost
8550	Bucket Pins – Less Bucket and Coupler	\$859.00
9106	AM/FM/Weather Band Radio with Remote Aux Port	\$576.00
9115	Powered Cab Air Pre-Cleaner	\$945.00
9131	Rear Camera Only	\$1,285.00

Approved by the Board of Directors

[illegible]

9140	5 LB Multi-Purpose Dry Chemical Fire Extinguisher	\$139.00
9240	Engine Compartment Light	\$145.00
9410	Transmission and Bottom Guards with Level 2 Sound Package	\$2,428.00
Configured Price		\$359,802.00
Sourcewell Discount 42%		(\$151,116.84)
Price Less Sourcewell Discount		\$208,685.16

Additional Costs

Pre-Delivery Inspection Charge & Setup	\$1,515.08
In-Bound Freight & Delivery	\$9,500.00
6 Year / 3,000 Hour Powertrain & Hydraulic Governmental Extended Warranty	\$5,275.00
4.5 CYD General Purpose Bucket with Bolt-On Cutting Edge	\$10,224.00
Hydraulic Quick Coupler	\$6,757.00
Parts Manual and Repair Technical Manual	\$750.00
Pape' Sales Price	\$242,706.24
Trade Allowance for John Deere 644E S/N: DW644ED527705	(\$30,000.00)
<i>Final Sales Price Less Trade Allowance</i>	<i>\$212,706.24</i>

Thank You,

Aaron Hanson

Territory Manager

Pape' Machinery – Pasco, WA

(509) 539-2361

ahanson@papemachinery.com