

Agenda Summary Report (ASR)

Franklin County Board of Commissioners

DATE SUBMITTED: 07/12/2022	PREPARED BY: Laura Stark, Public Works Administration & Finance
Meeting Date Requested: 07/19/2022	PRESENTED BY: Craig Erdman, Public Works Director/County Engineer
ITEM: (Select One) <u> X </u> Consent Agenda <u> </u> To Be Brought Before the Board Time needed: <u> N/A </u>	
SUBJECT: Governmental Equipment Lease-Purchase Agreement with Summit National Bank for one (1) Caterpillar Model 150 Motor Grader supplied by Western States Cat of Pasco, Washington. This Motor Grader replaces ONE (1) Caterpillar 140M3 Motor Grader, ID #MG-6012.	
FISCAL IMPACT: The annual lease payment for the new Caterpillar Model 150 Motor Grader is set at \$32,704.38, including tax. The initial lease payment of \$33,104.38 due July 2022 includes a \$400 document preparation fee, future payments of \$32,704.38 for years 2023, 2024, 2025, 2026, with a final payment of \$205,000.00 including tax and interest in 2027 should ER&R not exercise the Guaranteed Buyback Option. All Payments will be from the Motor Vehicle (ER&R) fund, 59448000 Capital Expenditures/Expenses – Public Works Central Services, with Lease payments budgeted in successive years. This Motor Grader replaces #MG-6012 as Public Works has exercised the Buyback Option with Western States Cat of Pasco, WA and therefore MG-6012 shall be removed from the ER&R Fund inventory.	
BACKGROUND: On November 23, 2021, the Board of Franklin County Commissioners approved and adopted, via Resolution 2021-270, the 2022 Annual Construction Program and Major Equipment Purchases. The 2022 Major Equipment Purchases represents the projected annual equipment replacement needs for 2022, and includes the following: <ul style="list-style-type: none"> • 2 – Motor Graders (leases) This action will accomplish Public Works obtaining one (1) new Motor Grader as approved in the Annual Construction Program and Major Equipment Purchases. Based on our financial analysis, we have determined that Western States Cat of Pasco, Washington's quote #Q000268921-4, Sourcewell contract #032119-CAT, utilizing a Lease-Purchase Agreement between Franklin County and Summit National Bank, is in the best interest of the County, and At the end of the Lease-Purchase Agreement term, Lessee will deliver the Equipment to the nearest Western States Equipment (WSECO) dealership or have WSECO pick up the equipment. In lieu of delivering the Equipment to the nearest WSECO, Franklin County may exercise the Guaranteed Agreed Governmental Buyback Option with Western States Cat of Pasco, Washington pursuant to section 4 of the Lease-Purchase Agreement, and the Sales Agreement from Western States Cat of Pasco, Washington, and 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 is now called Sourcewell, and has Contract No. 032119-CAT with Caterpillar, Inc. for the procurement of Heavy Construction Equipment, and under this contract, Caterpillar's authorized dealer for the Franklin County service area is Western States Cat of Pasco, Washington; and 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.	

The Public Works Director is requesting that the Board of Franklin County Commissioners authorize the Public Works Department to procure, via lease-purchase agreement with Summit National Bank, through the NJPA/Sourcwell Master Contract #032119-CAT one (1) Caterpillar 150 Motor Grader from Western States Cat of Pasco, Washington and that the Chairperson be allowed to sign on behalf of Franklin County.

Should the Board approve the procurement, via lease-purchase, Franklin County will insure the necessary budget for the lease-purchase in each successive year, in accordance with the Governmental Equipment Lease-Purchase Agreement. This Motor Grader will replace the current Motor Grader #MG-6012. Public Works has exercised the Buy Back Option with Western States Cat for #MG-6012 and thereby remove from the ER&R Fund inventory.

RECOMMENDATION: Staff recommends that MG-6012 is removed from the Public Works ER&R Fund Inventory and approve the Lease-Purchase Agreement between Franklin County and Summit National Bank, for a Caterpillar Model 150 Motor Grader, supplied by Western States Cat of Pasco, Washington.

SUGGESTED MOTION: I hereby move that MG-6012 is and hereby shall be removed from the Public Works ER&R Fund Inventory; and

I further move that the Board of Franklin County Commissioners authorize the Public Works Department to Lease-Purchase a Caterpillar Model 150 Motor Grader, through the NJPA/Sourcwell Contract #032119-CAT, from Western States Cat of Pasco, Washington utilizing a Lease-Purchase Agreement with Summit National Bank; and that the Chairperson of the Board be allowed to sign the Lease-Purchase Agreement with Summit National Bank on behalf of Franklin County.

COORDINATION:

This package has been discussed with, and is supported by Craig Erdman, Public Works Director/County Engineer, Greg Snyder, Shop Supervisor, and Laura Stark, Public Works Administration & Finance. The Governmental Equipment Lease-Purchase Agreement packet with Summit National Bank was submitted in its entirety to the Franklin County Prosecuting Attorney's office for review and has been approved as to form by Jennifer Johnson, Chief Civil Deputy Prosecuting Attorney.

ATTACHMENTS:

1. DRAFT Resolution
2. Governmental Equipment Lease-Purchase Agreement with Summit National Bank
3. Western States Cat Quote # Q000268921-4

HANDLING/ROUTING:

Clerk of the Board:

1 – Original Resolution

1 – Original Lease Purchase Agreement

Public Works Department: 1 – Copy Resolution, and Original Agreements
Auditor - Accounting: 1 – Copy Resolution

*Public Works will deliver to vendor one fully executed agreement.

I certify the above information is accurate and complete.


Craig Erdman, Public Works Director/County Engineer

FRANKLIN COUNTY RESOLUTION _____

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

***LEASE-PURCHASE OF ONE (1) CATERPILLAR MODEL 150 MOTOR GRADER AND
REMOVAL OF ONE (1) CATERPILLAR MODEL 140M3 MOTOR GRADER FROM FRANKLIN
COUNTY PUBLIC WORKS ER&R FUND INVENTORY***

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 that a replacement Motor Grader is necessary, and

WHEREAS, on November 23, 2021, the Board of Franklin County Commissioners approved and adopted, via Resolution 2021-270, the Franklin County Public Works 2022 Annual Construction Program and Major Equipment Purchases that includes procuring two (2) – Motor Graders (leases), and

WHEREAS, this action will accomplish Public Works obtaining one (1) new Motor Grader as approved in the Annual Construction Program and Major Equipment Purchases, and

WHEREAS, the lease-purchase of this Motor Grader will replace one (1) Caterpillar 140M3 Motor Grader, ID #MG-6012; and

WHEREAS, the Public Works ER&R Fund has exercised the Guaranteed Governmental Buyback Option with Western States Cat of Pasco, Washington for ID #MG-6012 in accordance with the original purchase agreement; 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, now known as Sourcewell, via Franklin County Resolution Number 2016-387; and

WHEREAS, the National Joint Powers Alliance/Sourcewell has Contract No. 032119-CAT with Caterpillar for the procurement of Heavy Construction Equipment, and under this contract, Caterpillar's authorized dealer for the Franklin County service area is Western States Cat 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/Sourcewell, as being in the best interest of Franklin County, desires to enter into attached Governmental Equipment Lease Purchase Agreement with Summit National Bank on behalf of Western States Cat of Pasco, Washington; and

FRANKLIN COUNTY RESOLUTION _____

NOW, THEREFORE, BE IT RESOLVED that one (1) Caterpillar 140M3 Motor Grader, ID #MG-6012, shall be removed from the Franklin County Public Works ER&R Fund inventory; and

BE IT FUTHER RESOLVED that the Board of Franklin County Commissioners authorize the Public Works ER&R Fund to procure, via lease-purchase agreement through the National Joint Powers Alliance/Sourcewell Master Contract No. 032119-CAT, one (1) 2022 Caterpillar 150 Motor Grader from Western States Cat 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 Summit National Bank for the 2022 Caterpillar 150 Motor Grader supplied by Western States Cat of Pasco, Washington.

APPROVED this ____ day of _____, 2022

**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

LEASE/PURCHASE AGREEMENT

This agreement ("Agreement") is entered into on July 6th, 2022, by and between SUMMIT NATIONAL BANK, a National Bank regulated by the Office of Comptroller of Currency ("Lessor"), and Franklin County - Public Works, Washington, a duly organized and existing under the laws of the State of Washington ("Lessee").

WHEREAS, Lessee desires to lease from Lessor and Lessor desires to lease to Lessee a 2022 Caterpillar 150 Motor Grader SN# EB400551, herein after referred to as "Equipment", on the terms and conditions stated herein.

NOW THEREFORE, in consideration of the premises of mutual covenants and agreements set forth herein, the Parties hereby agree as follows:

1. EQUIPMENT: 2022 Caterpillar 150 Motor Grader SN# EB400551.
2. TERM: The lease term is from July 6, 2022 to July 6, 2027.
3. RENT: The amount of the lease is based on the equipment price of \$314,317.05. Lessee agrees to pay the Lessor an initial payment of \$33,104.38 that is due on July 6, 2022. The initial payment includes a \$400.00 document fee. Washington State taxes of 8.7% are included in each payment. Remaining annual lease payments in the amount of \$32,704.38 are due annually commencing July 6, 2023, and ending July 6, 2026. The obligation to pay each lease installment is conditioned upon a lawful appropriation by the appropriate governing body in accordance with Washington law. See Appendix A attached with payment schedule.
4. OPTION TO PURCHASE: At the end of this lease term, July 6, 2027 Lessee shall have the option to purchase Equipment from Lessor for the sum of \$205,000. In the event Lessee intends to exercise this option to purchase, Lessee shall notify Lessor 30 days prior in writing, on or before June 6, 2026. Upon Lessee's payment of the option price, Lessor shall promptly remove any lien it may have on the Equipment and perform such other acts, if any, as are necessary to fully vest title to the Equipment with Lessee. In the event Lessee chooses not to exercise its option to purchase the Equipment at the end of the Lease term, Lessee will deliver the Equipment to nearest Western State Equipment (WSECO) dealership or have WSECO pick up the equipment, all at Lessee's expense. Notwithstanding the foregoing, should Lessee choose not to exercise its option to purchase the Equipment, in lieu of delivering the Equipment to Lessor's designee, Lessee may choose to sell the Equipment pursuant to a buy back agreement with the Equipment manufacturer or distributor, provided that: (i) Lessee directs that so much of the sales proceeds as are necessary to pay the option price in full are paid directly to Lessor; and (ii) Lessee, as the seller of the Equipment, shall collect and remit the sales tax due as a result of such sale, if any such tax is due, and shall indemnify Lessor against any and all claims arising as a result of its failure to do so.

5. TITLE TO AND LOCATION OF EQUIPMENT: Except as otherwise specifically provided in this Agreement, title to the Equipment shall at all times be vested in Lessee. Lessee does hereby grant to Lessor a security interest in the Equipment and authorizes Lessor to file a UCC-1 financing statement and any other documentation that may be necessary or advisable to maintain and/or perfect such security interest. The Equipment shall be located at the Lessee's principal place of usage and be used in and about the Franklin County, WA. Said Equipment shall not be removed from the greater Franklin County, WA area without the prior written consent of the Lessor.
6. DISCLAIMER OF WARRANTIES: Lessor, not being the manufacturer of the Equipment, nor the manufacturer's agent, hereby expressly disclaims and makes to the Lessee no warranty or representation, expressed or implied, of merchantability or fitness for any particular purpose or otherwise, including, but not limited to, the fitness for use, design or condition of the Equipment, the quality or capacity of the Equipment, the workmanship of the Equipment, that the Equipment will satisfy the requirements of any rule, specifications or contract pertaining thereto, and any guarantee or warranty against patent infringement or latent defects, it being agreed that all such risks as between Lessor and Lessee are to be borne by Lessee. Lessor is not responsible or liable for any direct, indirect, incidental or consequential damage to or losses resulting from the installation, operation, or use of the Equipment. Lessor hereby acknowledges any manufacturer's and/or seller's warranties are for the benefit of both Lessor and Lessee.
7. USE AND OPERATION OF EQUIPMENT: Lessee agrees that it will use the Equipment in accordance with this agreement, provided that any such use is in conformity with all applicable laws and regulations, and any insurance policies, and any warranties of the manufacturer, and any maintenance agreements with respect to the Equipment. Lessee shall not permit anyone other than its authorized agents or employees to operate the Equipment.
8. INDEMNIFICATION: Lessee agrees to indemnify, defend, and hold harmless Lessor and its officers, agents and employees from and against any and all claims, losses, actions or judgments for damages or injury to persons or property arising out of or in connection with the use of the Equipment during the term of this Agreement, or the sale of the Equipment at the end of the term of this Agreement.
9. INSURANCE:
 - A. Property Insurance: Lessee will, at its own expense, insure the Equipment at all times against all hazards, including by not limited to, fire, theft, or other damage to the Equipment in an amount not less than the full replacement value thereof. Such policies of insurance shall be reasonably satisfactory to Lessor as to form, amount and insurer, and shall provide for at least ten (10) days written notice of cancellation to Lessor. Lessee shall furnish certificates, policies or endorsements to Lessor as proof of such insurance. Lessee assigns to Lessor all of its right, title and interest to

any insurance policies insuring the Equipment, including all rights to receive the proceeds of insurance, not in excess of the unpaid obligations under this Lease.

- B. Liability Insurance: Lessee will, at its expense, carry public liability insurance with respect to the Equipment and the use thereof in such amounts and with such insurers that are reasonably satisfactory to Lessor and such insurance policies shall also name Lessor as an additional insured of such policy of insurance.
10. RISK OF LOSS: Lessee assumes all risk of loss, damage, theft or destruction of the Equipment.
11. MAINTENANCE, REPAIRS AND OPERATION: Lessee agrees to perform routine maintenance, in accordance with the manufacturer's recommendations, and repairs on the Equipment necessary to maintain it in as good condition as the same is now in, reasonable wear and tear excepted.
12. TAXES: Lessee shall comply with all laws and regulations relating to the Equipment and its use and shall promptly pay when due all sales, use, property, excise and other taxes and all license and registration fees now or hereafter imposed by any governmental body or agency upon the Equipment or its use or the rentals hereunder, unless Lessee is contesting such in good faith and by appropriate proceedings, excluding, however, any taxes on or measured by Lessor's net income or gross receipts.
13. TIME OF ESSENCE AND DEFAULT: Time and the strict and faithful performance of each of the conditions of this Agreement are expressly made the essence of this Agreement. If Lessee defaults in the payment of rent or defaults in keeping any of the terms of this Agreement, Lessor may terminate this Agreement by written notice to Lessee. Upon a declaration of said default, Lessee agrees to voluntarily relinquish possession of and title to the Equipment to Lessor's designee
14. NON-APPROPRIATION: Notwithstanding any other provision of this Agreement, if the Lessee fails specifically to appropriate sufficient funds to make the rental payments due in any fiscal year and no such appropriation is legally made within two weeks after demanded by Lessor, an event of non-appropriation will have occurred, and this Agreement will be terminated. Nothing in this section or elsewhere in this Agreement will be deemed in any way to obligate Lessee beyond its current fiscal year. If Lessee fails or refuses to renew the term of this Agreement for the next fiscal year, as permitted above, and makes any payment due for that purpose, then Lessee will have no further liability under this Agreement. In this event, Lessee shall notify Lessor in writing and shall allow the Lessor's designee to reclaim possession of and title to the Equipment within 30 days of the notification to Lessor. Lessee will deliver the Equipment to nearest Western State Equipment (WSECO) dealership or have WSECO pick up the equipment, all at Lessee's expense.
15. NON-ASSIGNMENT: Lessee shall not assign this Agreement or sublet this Equipment to any other person or entity.

16. ENTIRE AGREEMENT: This Agreement is the entire agreement of the Parties and supersedes all prior agreements and understandings both written and oral, with respect to the subject matter hereof. This Agreement may not be amended, changed or modified, except by written agreement executed by the Parties hereto.
17. INTERPRETATION AND VENUE: This agreement shall be interpreted and governed by the laws of the State of Washington. Any proceeding to enforce the rights of either Party hereto shall be maintained in a court of competent jurisdiction seated in the county in which Lessee resides.
18. ATTORNEYS FEES: In the event either Party shall prevail in any legal action brought by, or defended against, the other Party relating to this Agreement, such prevailing Party shall be entitled to all costs and expenses incurred in such action including reasonable attorney fees.
19. AUTHORITY TO EXECUTE: Any individual or individuals executing the within document on behalf of any entity (whether governmental, banking, or otherwise) which is a Party hereto, hereby acknowledge and represent that he, she, or they have the power and authority to so bind the entity on whose behalf he, she or they are purporting to act, and that such authority was conferred by an act of the appropriate governing body of said entity, unless the binding of any such entity is within the power of the person or persons executing this document on such entity's behalf. In the event that the Party or Parties executing this document on behalf of any Party hereto do not have authority to so bind the entity for any cause or reason, then such person or persons shall be personally liable under the terms hereof.
20. BINDING EFFECT: This Agreement, when fully executed and approved, shall be binding upon and inure to the benefit of the Parties hereto, their heirs, administrators, executors, successors and assigns, as set forth herein.
21. TAX CERTIFICATIONS: Lessee agrees and certifies as follows: (a) Moneys on deposit in any fund or account related to this Agreement shall not be used in a way that will cause the interest component on any payment made hereunder to be includable in Lessor's income for federal tax purposes; (b) No use will be made of proceeds of the Agreement, or any funds or accounts of Lessee which may be deemed to be such proceeds, which would cause the Agreement to be an "arbitrage bond" under Section 148 of the Internal Revenue Code of 1986, as amended ("Code"); (c) Lessee will not take, cause to be taken or fail to take any action, the result of which would cause the interest component of any payment made hereunder to be ineligible for exclusion from Lessor's gross income under Section 103 of the Code or would cause the Agreement to be a "private activity bond" or to fail to meet any applicable requirement of Section 149 of the Code; and (d) Lessee shall file any information report required by Section 149(e) of the Code, and, if required under the Code, provide to Lessor a Form 8038-G form titled Information Return for Tax-Exempt Governmental Obligations. Lessee represents, covenants and warrants for the benefit of Lessor that Lessee is a political

subdivision of the State of Washington with statutory authority to enter into this Agreement, and has been duly authorized to execute, deliver and carry out its obligations under this Agreement and will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body politic and corporate. Lessee is not subject to any legal or contractual provision which restricts or prevents it from entering into or performing under this Agreement. There is no known pending or threatened action, proceedings, or investigation affecting Lessee, nor to the best knowledge of Lessee is there any basis therefore, wherein an unfavorable result would adversely affect this Agreement. Lessee has never non-appropriated or defaulted under any of its obligations under any lease contract, bond, or either debt obligation. No approval, consent, or withholding of objection is required from any governmental authority other than Lessee with respect to the entering into or performance by Lessee of this Agreement. The balance sheet of Lessee for its most recent fiscal year and the related earnings statements of Lessee for its most recent fiscal year have been furnished to Lessor and fairly presents Lessee's financial condition as of such date in accordance with generally accepted accounting principles consistently applied, and since such date there has been no material adverse change in such condition. In the event the Internal Revenue Service determines that this Agreement is not a Lessor qualified tax-exempt obligation, the interest component of this Agreement is subject to change.

22. NOTICE: Notices required hereunder shall be made in writing to the Parties by U.S. Certified Mail, Return Receipt Required, as follows:

Lessor: Summit National Bank
19 Montana Avenue
Laurel, MT 59044

Lessee: Franklin County Public Works
3416 Stearman Ave
Pasco, WA 99301

Notice shall be complete upon receipt, unless the recipient ignores or refuses to sign for the certified letter in which event such notice shall be deemed to have been completed on the first attempted delivery by the United State Post Office.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures.

LESSEE, Franklin County - Public Works Public Works, a County of Washington

BY: _____
Clint Didier
Chairman

DATE: _____

LESSOR, SUMMIT NATIONAL BANK

BY: _____
Brian Elkin, President - Summit Bank
brian.elkin@summitnb.com

DATE: _____

Approved as to form

PROSECUTING ATTORNEY'S OFFICE



APPENDIX A

Borrower: Franklin County, WA
2022 Cat 150
SN# EB400551

Lender: Summit National Bank
19 Montana Ave
Laurel, MT 59044
(406) 828-4220

Disbursement Date: July 11, 2022
Interest Rate: 3.350

Repayment Schedule: Irregular
Calculation Method: 365/360 U.S. Rule

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	07-11-2022	30,086.83	0.00	30,086.83	284,230.22
2	07-11-2023	30,086.89	8,653.95	20,432.87	263,797.35
3	07-11-2024	30,086.83	8,984.60	21,102.33	242,695.02
4	07-11-2025	30,086.83	8,243.20	21,843.63	220,851.39
5	07-11-2026	30,086.83	7,501.28	22,585.55	198,265.84
6	07-11-2027	204,999.99	6,734.15	198,265.84	0.00
TOTALS:		355,434.14	41,117.89	314,317.05	

NOTICE: This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.

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PAYMENT DATA

IRREGULAR PAY LOAN (Fixed Rate)

		Financed			In Cash			
AMOUNT REQUESTED:		\$314,317.06						
PREPAID FINANCE CHARGES:								
Dec Prep Fee					400.00			
SECURITY INTEREST CHARGES:		0.00						
NOTE AMOUNT:		\$314,317.06			\$400.00			
PAYMENT CALCULATION:								
Stream	No. of Pmts	Amount	Due		F/V	Index	Margin	Rate
1	5	\$38,088.83	Annually beginning 07-11-2022		F			3.350
2	1	\$204,999.99	One Payment beginning 07-11-2027		F			3.350
Disbursement Date:		07-11-2022						
Due Date:		07-11-2027						
INTEREST RATE SELECTION								
Interest Method:		365/360						
Interest Rate:		3.350						

Annual Payment	\$30,086.83
Washington Sales Tax at 8.7%	\$2,617.55
TOTAL ANNUAL PAYMENT	\$32,704.38



Franklin County - Public Works

3416 Stearman Ave
Pasco WA 99301-7104
SOURCEWELL ID#98845

Western States CAT

2100 E Frontier Loop
Pasco, WA 99301
SOURCEWELL ID#032119-CAT

7/5/2022

Q000268921-4

Franklin County - Public Works (2974950)

Mr. Greg Snyder,

Western States Equipment Company would like to thank you for the opportunity to submit the attached quote for consideration. It contains price as well as machine specifications, product support information, and warranty terms.

Western States appreciates your business. We are looking forward to providing you with the Caterpillar machine best suited for your equipment needs.

Thank you for the opportunity to assist you. If you should have any questions, feel free to call 509-792-2573 any time.

Sincerely,

Kody Reed

Machine Sales Rep
509-792-2573

Kody.Reed@weco.com





Relation	Name	Price
5772897	150 15A MOTOR GRADER	\$426,320.00
3240889	RIPPER/SCARIFIER	\$22,490.00
5855219	CONTROLS, PERF BUNDLE, TND	\$17,170.00
2520701	TIRES, BRIDGESTONE VUT G2A G2 TL	\$114034.47
3858099	BASE + 4 (WM,WT-FLOAT,FL,RIP)	\$9,880.00
3961966	SNOW ARRANGEMENT	\$6,420.00
3589338	ACCUMULATORS, BLADE LIFT	\$5,150.00
3662459	GUARD, TRANSMISSION	\$3,750.00
3977457	CAB, PLUS (INTERIOR)	\$3,320.00
3944522	COLD WEATHER PLUS PACKAGE	\$3,315.00
3493048	MOLDBOARD, 14' PLUS	\$2,985.00
5516546	MOUNT,SNOW WING,FRAME RDY LED	\$2,985.00
5527285	LIGHTS, WORKING, PLUS, LED	\$2,860.00
4K3330	SHANKS/TEETH, RIPPER/SCARIFIER	\$1,549.00
5532589	HEADLIGHTS, FRONT, HIGH, LED	\$1,505.00
3686239	ARTICULATION GUARD	\$1,390.00
5506608	LIGHTS, ROADING, LED	\$1,375.00
3859554	CAB, PLUS (STANDARD GLASS)	\$1,220.00
3806775	PRECLEANER, SY-KLONE	\$825.00
3440984	MIRRORS, OUTSIDE HEATED 24V	\$740.00
6043258	LIGHTS, LED STROBE BEACON	\$625.00
3593925	LIFT GROUP, FRONT MOUNTING	\$488.00
3953547	STARTER, ELEC, EXTREME DUTY	\$449.00
0P2265	ROLL ON-ROLL OFF	\$336.00
4698160	COOLANT, 60/40, -51C (-60F)	\$303.00
2495516	HEATER, ENGINE COOLANT, 120V	\$271.00
5213250	CIRCLE SAVER	\$264.00
3803070	LIGHTS, SERVICE, INTERNAL	\$213.00
3245328	DRAIN, GRAVITY, ENGINE OIL	\$0.00
3859297	GLOBAL ARRANGEMENT,LOW AMBIENT	\$0.00
3861254	LANGUAGE, ENGLISH	\$0.00
3941492	SEAT BELT	\$0.00
3963921	CAMERA, REAR VISION	\$0.00
4429940	DECALS, ENGLISH (U.S.)	\$0.00
4646442	PRODUCT LINK, CELLULAR PLE742	\$0.00
5402373	TANK, FUEL, STANDARD	\$0.00
5424660	FAN, STANDARD, TND	\$0.00
5674688	ENGINE, TIER IV	\$0.00
0P3978	FUEL ANTIFREEZE, -25C (-13F)	\$0.00
0P9002	LANE 2 ORDER	\$0.00
	Total List	\$532,232.47
	30% Sourcewell 150 Discount	-\$159,669.81
	NET	\$372,562.66
	Additional WSECO GOV Support	-\$58,245.61
	Franklin County 150 Purchase Price	\$314,317.05



Franklin County 150

Sourcewell # 9845

60 Month/5000 Hour Lease
Machine Warranty 60mo/5000 hours
GOV FAILSAFE With Filter Kits

Purchase Price \$ 314,317.05

5YR/5,000hr Buyback \$ (205,000.00)

Payment Schedule \$30,086.83 + WSST

Delivery Date (7/2022) \$ 32,704.38

March 2023 \$ 32,704.38

March 2024 \$ 32,704.38

March 2025 \$ 32,704.38

March 2026 \$ 32,704.38

March 2027 Option \$ 205,000.00*

End of lease Options:

1. Exercise buyout of \$205,000.00 plus applicable tax
2. Return equipment 2027 for new 150 Lease
3. Return equipment 2027 without new 150 Lease

***Buyout subject to applicable sales tax. buyback would not incur tax**

Borrower: Franklin County, WA
2022 Cat 150
SN# EB400551

Lender: Summit National Bank
19 Montana Ave
Laurel, MT 59044
(406) 628-4220

Disbursement Date: July 11, 2022
Interest Rate: 3.350

Repayment Schedule: Irregular
Calculation Method: 365/360 U.S. Rule

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	07-11-2022	30,086.83	0.00	30,086.83	284,230.22
2	07-11-2023	30,086.83	9,653.96	20,432.87	263,797.35
3	07-11-2024	30,086.83	8,984.60	21,102.33	242,695.02
4	07-11-2025	30,086.83	8,243.20	21,843.63	220,851.39
5	07-11-2026	30,086.83	7,501.28	22,585.55	198,265.84
6	07-11-2027	204,999.99	6,734.15	198,265.84	0.00
TOTALS:		355,434.14	41,117.09	314,317.05	

NOTICE: This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.

PAYMENT DATA

IRREGULAR PAY LOAN (Fixed Rate)

		Financed	In Cash
AMOUNT REQUESTED		\$314,317.05	
PREPAID FINANCE CHARGES:			
Doc Prep Fee			400.00
SECURITY INTEREST CHARGES:		0.00	
NOTE AMOUNT:		\$314,317.05	\$400.00
PAYMENT CALCULATION			
Stream	No. of Pmts	Amount	Due
1	5	\$30,086.83	Annually beginning 07-11-2022
2	1	\$204,999.99	One Paymently beginning 07-11-2027
Disbursement Date		07-11-2022	F/V
Due Date:		07-11-2027	F
INTEREST RATE SELECTION:			Index
Interest Method:		365/360	Margin
Interest Rate:		3.350	Rate

Annual Payment \$30,086.83
Washington Sales Tax at 8.7% \$2,617.55
TOTAL ANNUAL PAYMENT \$32,704.38

Machine Model*	New Equipment
2022	Discount to Customer (Off List Price)
D3	23.00%
D3 Fire Dozer	23.00%
D4	23.00%
D5	23.00%
D5 Fire Dozer	23.00%
D6	23.00%
D7	18.00%
D8	18.00%
D9	10.00%
D10	10.00%

*Note: Base machines are listed. There may be several different base machine configurations available. The base machine discount will be applied to any model configuration plus any and all options listed on the Caterpillar Machine price list.

Wheeled Excavators

M314	26.00%
M315	26.00%
M316	26.00%
M317	26.00%
M318	26.00%
M320	26.00%
M322	26.00%

Material Handlers

MH3022	26.00%
MH3024	26.00%
MH3026	26.00%

Cold Planers

PM310	20.00%
PM312	20.00%
PM313	20.00%
PM620	20.00%
PM622	20.00%
PM820	20.00%
PM822	20.00%
PM825	20.00%

Reclaimers

RM400	20.00%
RM500	20.00%

Telehandlers

TH255	23.00%
TH3510	24.00%
TH357	24.00%
TH408	24.00%
TH514	24.00%
TH642	24.00%
TH943	24.00%
TH1055	24.00%
TH1255	24.00%

Motor Graders

12	30.00%
120	34.00%
140	30.00%
140GC	30.00%
150	30.00%
160	30.00%
14	19.00%

Skid Steer Loaders

226	21.00%
232	21.00%
236	21.00%



Pasco
2100 Frontier Loop Pasco, WA 99301
509.547.9541

SOLD TO:
Franklin County - Public Works
3416 Stearman Ave
Pasco, WA 99301-7104

SHIP TO:
Office
3416 Stearman Ave
Pasco, WA 99301-7104

SALES AGREEMENT

AGREEMENT: Q000268921-4

AGREEMENT DATE: 7/5/2022

AGREEMENT EXPIRES: 4/1/2022

WAREHOUSE: Pasco Machine Sales

CUSTOMER NO.: 2974950

CUSTOMER PO:

SALESMAN: Kody L Reed

Kody.Reed@wseco.com

ITEM DESCRIPTION

2022 Caterpillar 150 Motor Grader S/N: EB400551 SMU: 13 hrs ID:E0096255

PRICE

\$314,317.05

- Caterpillar CT TIRES S/N: TBD
- Governmental Buyback - \$205,000.00 Not to Exceed 5 Years 5,000hrs
- New Warranty - 60mo 5,000hr GOV Failsafe

Notes

Before Tax Balance	\$314,317.05
Sales Tax	\$0.00
Trade Payoff	\$0.00
Downpayment	\$0.00
Net Due	\$314,317.05

Western States Equipment

Franklin County - Public Works

Order Received by _____

Approved and Accepted by _____

Title Regional Sales Manager

Date _____

Title Shop Supervisor

Date 7/6/22

Warranty Document Received (initial) _____

Trade Ins: All trade-ins are subject to equipment being in as inspected condition by vendor at time of delivery of replacement machine purchase above. Purchaser hereby sells the trade in equipment described above to the vendor and warrants it to be free and clear of all claims, liens, and security interest except as shown above.
Warranty: By making above the customer acknowledges that they have received a copy of the Western States Co/Caterpillar Warranty and has read and understands said warranty. All used equipment is sold as is where is and no warranty is offered or implied except as specified above.



SALES AGREEMENT

NO.: Q000268921-4

EQUIPMENT DETAILS

150 150

2495516 HEATER, ENGINE COOLANT, 120V

3240889 RIPPER/SCARIFIER

3440984 MIRRORS, OUTSIDE HEATED 24V

3589338 ACCUMULATORS, BLADE LIFT

3662459 GUARD, TRANSMISSION

3803070 LIGHTS, SERVICE, INTERNAL

3858099 BASE + 4 (WM,WT-FLOAT,FL,RIIP)

3859554 CAB, PLUS (STANDARD GLASS)

3944522 COLD WEATHER PLUS PACKAGE

3961966 SNOW ARRANGEMENT

3977457 CAB, PLUS (INTERIOR)

4646442 PRODUCT LINK, CELLULAR PLE742

4K3330 SHANKS/TEETH, RIPPER/SCARIFIER

5402373 TANK, FUEL, STANDARD

5506608 LIGHTS, ROADING, LED

5527285 LIGHTS, WORKING, PLUS, LED

5674688 ENGINE, TIER IV

6043258 LIGHTS, LED STROBE BEACON

4218926 SERIALIZED TECHNICAL MEDIA KIT

0P9003 LANE 3 ORDER

5772897 150 15A MOTOR GRADER

2520701 TIRES, 14.0R24 MX XSNO+ * G2 MP

3245328 DRAIN, GRAVITY, ENGINE OIL

3493048 MOLDBOARD, 14' PLUS

3593925 LIFT GROUP, FRONT MOUNTING

3686239 ARTICULATION GUARD

3806775 PRECLEANER, SY-KLONE

3859297 GLOBAL ARRANGEMENT, LOW AMBIENT

3941492 SEAT BELT

3953547 STARTER, ELEC, EXTREME DUTY

3963921 CAMERA, REAR VISION

4429940 DECALS, ENGLISH (U.S.)

4698160 COOLANT, 60/40, -51C (-60F)

5213250 CIRCLE SAVER

5424660 FAN, STANDARD, TND

5516546 MOUNT, SNOW WING, FRAME RDY LED

5532589 HEADLIGHTS, FRONT, HIGH, LED

5855219 CONTROLS, PERF BUNDLE, TND

0P3978 FUEL ANTIFREEZE, -25C (-13F)

0P2265 ROLL ON-ROLL OFF

TERMS AND CONDITIONS

1. OFFER TO SELL, METHODS OF ACCEPTANCE AND AGREEMENT TERMS: This Sales Agreement ("SA") is an offer for the sale of the equipment, vehicles, accessories and attachments described on the invoice (referred to generally as "equipment" or "goods") by Western States Equipment Company, an Idaho business corporation or its affiliates ("WSECO") to Customer under the terms and conditions specified herein. This offer may be accepted by (1) the execution of this SA by a representative of Customer or (2) Customer's verbal or written authorizations or conduct consistent with prior course of dealing between the parties authorizing WSECO to take action to fulfill this SA, or (3) the commencement of the manufacture or shipment of the goods specified in this SA, whichever of the foregoing first occurs.

Acceptance of this SA is limited to the express terms stated herein. Any proposal in Customer's acceptance for additional or different terms or any attempt by Customer to vary in any degree any of the terms is objected to and hereby rejected, but such proposals shall not operate as a rejection of this offer, unless such variances are in the terms of the description, quantity, price, delivery schedule, or payment schedule of the goods, but shall be deemed a material alteration of this SA and this SA shall be deemed agreed to by WSECO without said additional or different terms. Once accepted, this SA shall constitute the entire agreement between WSECO and Customer. WSECO is not bound by any representation or agreements, express, or implied, oral or otherwise, which are not stated within this SA or contained in a separate writing supplementing this SA and signed by authorized agents of both WSECO and Customer. This SA will supersede all previous communications, agreements, and contracts with respect to the subject matter hereof and no understanding, agreement, term, condition, or trade custom at variance with this SA will be binding on WSECO. No waiver or modification of the terms and conditions hereof will be effective unless in writing and signed by both Customer and WSECO.

2. PAYMENT TERMS: Customer agrees to pay the sales price for the equipment, less any net trade-in allowance, in accordance with the payment terms as all stated on the invoice. The sales price is offered F.O.B. at WSECO's designated facility as stated on the invoice and Customer is responsible for all shipping charges as provided in this SA. Customer is also responsible for paying all applicable sales, use or any other applicable taxes levied or assessed on the equipment by any federal, state or local governmental authority, unless Customer provides WSECO an appropriate exemption certificate as stated on the invoice. In the event that Customer fails to pay any applicable tax or other charge as agreed herein or fails to provide a valid exemption certificate, Customer agrees to indemnify and hold WSECO harmless from any liability and expense by reason of Customer's failure to pay said taxes or assessments, including, but not limited to, WSECO's reasonable attorney's fees and costs and other necessary legal expenses resulting from such failure.

3. GRANT OF SECURITY INTEREST, AUTHORIZATION TO FILE STATEMENT AND PROTECTION OF COLLATERAL: Until the Customer pays the total sales price and additional charges as provided in this SA, Customer hereby grants WSECO a security interest in and to the equipment and all additions, replacements, substitutions, and proceeds of the same ("Collateral") to secure payment of the sales price and any and all other amounts owed or owing by Customer to WSECO under this SA or otherwise. Customer authorizes WSECO to file financing statement(s) evidencing this security agreement and the collateral subject thereto and to take all steps necessary to perfect WSECO's interest in the equipment.

Customer agrees to execute any documents required by WSECO to evidence and perfect such security interest. Customer hereby appoints WSECO as its irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect or to continue the security interest granted in this SA. Customer will reimburse WSECO for all expenses for the perfection and the continuation of the perfection of WSECO's security interest in the Collateral. Customer promptly will notify WSECO before any changes in Customer's name including any changes to the assumed business names of Customer.

Customer, upon WSECO's request, will deliver to WSECO a schedule of the locations of the Collateral and agrees to update the list upon WSECO's further request. Customer will not commit or permit damage to or destruction of the Collateral or any material part of the Collateral. WSECO and its designated representatives and agents shall have the right at all reasonable times to examine and inspect the Collateral. Customer shall immediately notify WSECO of all cases involving the loss or damage of or to any material portion of the Collateral and generally of all material happenings and events affecting the Collateral.

4. INSURANCE: Customer shall not move, load, transport or otherwise handle the equipment on WSECO's premises without first having obtained insurance coverage. Customer shall carry all risks insurance on the equipment, including, without limitation, fire, theft and liability coverage with such other insurance as necessary to protect Customer's and WSECO's respective interests in the equipment. As long as any portion of the sales price is outstanding, Customer will deliver to WSECO from time to time the policies or certificates of insurance in forms satisfactory to WSECO, showing WSECO as an additional insured and including stipulations that coverage will not be cancelled or diminished without at least fifteen (15) days prior written notice to WSECO.

5. TIME OF DELIVERY AND SHIPPING: Orders for equipment are processed in the order of their acceptance by WSECO and WSECO will use its reasonable efforts to deliver the equipment to Customer on the scheduled delivery date as stated on the invoice. However, shipping and delivery dates are acknowledged to be estimates only and dependent upon many factors outside of WSECO's control including, but not limited to, the manufacturer's production schedule, material and labor shortages, shipping delays and various other unrelated factors. WSECO is not liable for delays or damages caused by delays in delivery or shipment of the equipment, unless stated on the face of the invoice to the contrary. Customer is responsible for all freight, shipping, loading and unloading costs.

6. RISK OF LOSS/SHORTAGES/REJECTION OF GOODS: Risk of loss of the goods shall pass to Customer as soon as the goods are properly loaded on the carrier. WSECO's responsibility for shipment ceases upon delivery of the goods to a transportation company. Any claim by Customer for shortage in shipment shall be made by written notice to WSECO within fifteen (15) days after receipt of the shipment. It is specifically agreed that the risk of loss shall not be altered by the fact that the conduct of either party hereto may constitute a default or breach and shortage in shipment is not deemed to constitute a nonconformity.

All equipment or goods shall be subject to the standard manufacturing and commercial variation and practices of the manufacturer thereof. In the event of shipment of non-conforming goods, WSECO shall be given a reasonable opportunity to replace the goods with those which conform to the order. Any notices pertaining to rejection or claims of nonconformity must be made in writing specifying in detail Customer's objections and such notices must be delivered within fifteen (15) days after delivery of the goods. It is agreed that in the event of rejection, Customer will store the goods or reship the goods to WSECO. Should Customer use the equipment or goods, such use shall be deemed an unequivocal acceptance of the goods. If Customer accepts goods tendered under this SA, such acceptance shall be final and irrevocable; no attempted revocation shall have any effect whatsoever.

7. ASSIGNMENTS: No right or interest in this SA shall be assigned by Customer without the written permission of WSECO, and no delegation of any obligation owed or of the performance of any obligation by Customer shall be made without written permission of WSECO. Any attempted assignment or delegation by Customer shall be wholly void and totally ineffective for all purposes unless made in conformity with this paragraph.

8. NO WARRANTY: Unless provided otherwise on the invoice, the equipment is purchased "AS IS" and there is no other agreement with Customer regarding the equipment other than what is stated in this SA and in any credit instrument and/or guaranty between Customer and WSECO. There are no other warranties, express or implied, for any equipment, product, service, or other items sold or furnished under this SA unless agreed to in writing between Customer and WSECO. **WSECO DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

9. EQUIPMENT FAILURE/LIMITATION OF REMEDIES: If, for any reason, the equipment does not perform satisfactorily, as judged by WSECO in its sole discretion, WSECO may repair or replace the equipment or any part thereof, at its option, without affecting any of the terms of this SA. This remedy does not apply if the equipment has failed or performs less than satisfactorily due to improper use of the equipment, accident (including, damage during shipment), neglect, abuse, misuse or exposure of the equipment to conditions beyond capacity, power, environmental design limits or operation constraints specified by WSECO or the equipment manufacturer. Customer is responsible for all expenses related to repair or replacement due to these causes. **THE REMEDIES IN THIS PARAGRAPH ARE CUSTOMER'S SOLE AND EXCLUSIVE REMEDIES AGAINST WSECO.**

10. LIMITATION OF LIABILITY: Notwithstanding trade customs or prior course of dealing to the contrary, in no event will WSECO, its subsidiaries, affiliates, agents or employees be liable for any incidental, indirect, special, or consequential damages in connection with or arising out of this SA or furnishing of any goods, services or other items or any third party's ownership, maintenance, or use of any goods, services or other items furnished under this SA, including, but not limited to, lost profits or revenues, loss of use of the equipment or any associated goods, damage to associated goods, costs of capital, cost of substitute goods, or claims of Customer's clients for such damages. Customer's sole remedy, for any liability of WSECO of any kind, including but not limited to negligence, with respect to any equipment, service, or other item is limited to that set forth in the paragraph entitled "EQUIPMENT FAILURE/LIMITATION OF REMEDIES" of this SA. WSECO is not responsible for meeting any federal, state, local or municipal code or specification (whether statutory, regulatory or contractual), unless Customer specifies it in writing and WSECO agrees to it in writing. Customer agrees that it has selected each item of equipment based upon its own judgment and particular needs and disclaims any reliance upon any statements or presentations made by WSECO. The liability for performing under any manufacturer warranty program rests solely with the subject manufacturer and WSECO has no liability or responsibility for performance thereunder.

11. FORCE MAJEURE: WSECO shall not be responsible or liable for any delay or failure to deliver any or all of the goods and/or performance of the services where such delay or failure is caused by any act of God, fire, flood, inclement weather, explosion, war, insurrection, riot, embargo, statute, ordinance, regulation or order of any government or agent thereof, shortage of labor, material fuel, supplies or transportation, strike or other labor dispute, or any other cause, contingency, occurrence or circumstance of any nature, whether or not similar to those herein before specified beyond WSECO's control, which prevents, hinders or interferes with manufacture, assembly or delivery of the goods or performance of the services. Any such cause, contingency, occurrence or circumstances shall release WSECO from performance of its obligations hereunder.

12. INDEMNITY: Customer agrees to indemnify and hold WSECO harmless from and against any and all claims, actions, suits, proceedings, costs, expenses, damages (including but not limited to consequential and incidental damages), liabilities, fees (including, but not limited to, attorney fees and court costs), and settlements, (including those brought or incurred by or in favor of Customer's employees, agents and subcontractors), arising out of or related to the selection, delivery, loading, unloading, towing, possession, use, operation, handling or transportation of the equipment. Customer agrees to defend, at its expense, any and all suits brought against WSECO either alone or in conjunction with others and additionally to satisfy, pay and discharge any and all judgments and fines against WSECO in any such suits or actions, whether based in negligence or otherwise.

13. DEFAULT BY CUSTOMER: An event of default shall occur if (a) Customer fails to pay when due the sales price; (b) Customer fails to perform or observe any covenant, condition, or agreement to be performed by it hereunder; (c) Customer ceases doing business as a going concern, makes an assignment for the benefit of creditors, admits in writing an inability to pay debts as they become due, files a petition in bankruptcy, or if its owners, shareholders or members of Customer take actions towards dissolution or liquidation of Customer; (d) Customer attempts to sell, transfer, or encumber, sublease or convey the equipment or any part thereof prior to paying the full sales price; or (e) WSECO, in good faith deems itself, insecure relative to payment of the sales price.

Upon the occurrence of any event of default, WSECO may exercise the following rights and remedies: (i) declare the sales price immediately due and payable; (ii) require Customer to assemble the equipment and make it available to WSECO at a place and time designated by WSECO; (iii) WSECO shall have full power to enter upon the property or jobsite of the Customer and take possession of and remove the equipment; (iv) WSECO shall have full power and authority to sell, lease, transfer or otherwise deal with the equipment or proceeds thereof, and in connection therewith WSECO may bid on the goods or equipment and that a commercially reasonable price for said reclaimed equipment may be determined by WSECO based upon current national auction values, market trends relating to supply and demand, and related factors for goods of similar type and condition; (v) if WSECO chooses to sell or lease the reclaimed equipment, WSECO may obtain a judgment against Customer for any deficiency remaining on the sales price after application of all amounts received from the exercise of its rights under this SA; and (vi) all rights and remedies of a secured creditor under the provisions of the Idaho Uniform Commercial Code, as amended from time to time. All of WSECO's rights and remedies, whether evidenced by this SA or other related agreement, shall be cumulative and may be exercised singularly or concurrently. Customer agrees to pay all costs incurred by WSECO in enforcing this SA or any of its provisions, including without limitation reasonable attorney's fees and costs and all costs of reclaiming the goods, whether or not legal action is commenced.

14. JURISDICTION AND VENUE: This SA and the relationship between WSECO and Customer shall be governed and construed according to the laws of the State of Idaho. At the sole and exclusive election of WSECO, jurisdiction and venue for any action or dispute arising under this SA shall be in the in the Fourth Judicial District of the State of Idaho, in and for Ada County, which is WSECO's corporate headquarters and principal place of business, wherein the parties acknowledge having done business sufficient to establish minimum contacts under the Idaho long arm statute, and which is a mutually convenient forum. In addition, Customer waives any and all rights to jurisdiction and/or venue in any other forum, including waiver of any and all rights to remove the action from any court originally acquiring jurisdiction.

15. EQUIPMENT DATA: This machine may be equipped with a wireless data communication system, such as Product Link. In such case, Customer understands data reflecting the machine performance, condition and operation is being transmitted to Caterpillar/WSECO to better serve the Customer and to improve upon Caterpillar products and services. This data may include, but is not limited to: fault codes, emissions data, fuel usage, service meter hours, software and hardware version numbers and installed attachments. Neither Caterpillar nor WSECO sell, rent or share collected information to any other third party, and will exercise reasonable efforts to keep the information secure. Caterpillar Inc. and WSECO recognize and will respect customer privacy. Customer agrees to allow this data to be accessed by Caterpillar and WSECO within normal, accepted business practices.

The undersigned represents and warrants that he/she is authorized by Customer identified below to bind the Customer to the obligations and duties expressed herein and does so commit Customer to the terms and conditions of SA by signing below. Until this SA (or indential counterpart thereof) has been signed by our duly authorized representative, it will constitute an offer by Customer to enter into this SA with WSECO on the terms herein.

CUSTOMER

By:

Print Name:

Title:

Date:

WESTERN STATES EQUIPMENT COMPANY

By:

Print Name:

Title: Regional Sales Manager

Date:



STANDARD WARRANTY AND APPLICATION FOR EXTENDED COVERAGE FOR CATERPILLAR PRODUCTS

The Caterpillar equipment owner identified below ("Owner") hereby applies to Western States Equipment for Standard or Extended Coverage in accordance with the terms as set forth in this document, for the Caterpillar product identified below. Owner desires the Standard or Extended coverage option(s) listed below:

COVERAGE EXPIRATION - FIRST TO OCCUR (MONTHS OR HOURS) - Months after retail purchase (less duration of rental, demonstration, or other usage, if any, prior to the first purchaser or lessee)

Standard Warranty period based on Caterpillar guidelines				
OWNER's NAME Franklin County - Public Works			OWNER PHONE	
OWNER ADDRESS, CITY and ZIP CODE 3416 Stearman Ave Pasco, WA 99301-7104				
EXTENDED WARRANTY COVERAGE New Warranty - 60mo 5,000hr GOV Failsafe				
MODEL 150	PRODUCT DESCRIPTION 150 Motor Grader	HOUR METER 13	SERIAL NUMBER EB400551	DELIVERY DATE 7/6/22

IMPORTANT NOTE TO OWNER: Complete terms of Standard or Extended Coverage are set forth on this document. Please read all pages carefully before signing. YOUR RIGHTS AND REMEDIES IN CONNECTION WITH STANDARD OR EXTENDED COVERAGE ARE LIMITED AS INDICATED ON ALL PAGES OF THIS DOCUMENT. CATERPILLAR PRODUCTS CARRY NO IMPLIED WARRANTY OR MERCHANTABILITY OR FITNESS. STANDARD WARRANTY OR EXTENDED COVERAGE IS NOT INSURANCE.

ACKNOWLEDGEMENTS: I have read and understand the terms, including limitations and exclusions, of Standard or Extended Coverage, and understand that it is not insurance. I also understand that the coverage applied for herein is not effective unless and until I pay the applicable charge for this extended coverage. I understand the SOS requirements (Initial)

OWNER/LESSEE SIGNATURE :

DATE: 7/6/22

The owner and product identified above meet all requirements for the coverage requested and the applicable charge for extended coverage has been paid.

DEALER SIGNATURE :

DATE: 7/5/22

TRANSFER: The unexpired portion of the Standard or Extended Repair Coverage may be transferred with Western States Equipment approval (see section F on back for complete details). Complete the section below to request transfer.

Purchase Application <input type="checkbox"/> COMMERCIAL <input type="checkbox"/> FORESTRY <input type="checkbox"/> WASTE <input type="checkbox"/> GOVERNMENTAL <input type="checkbox"/> AG	PURCHASER NAME	DATE MACHINE SOLD	DATES INSPECTION COMPLETED & APPROVED	
	ADDRESS (STREET, RR)	(CITY/TOWN)	(STATE)	(ZIP CODE)
	TRANSFER HOUR METER READING	SIGNATURE OF NEW BUYER	DEALER CONFIRMATION	

By signing this agreement I agree to the terms on the following pages.

CATERPILLAR STANDARD WARRANTY

General Provisions: Caterpillar warrants the products sold by it, and operating within the geographic area serviced by authorized USA and Canadian Caterpillar dealers, to be free from defects in material and workmanship. In other areas and for other products, different warranties may apply. Copies of applicable warranties may be obtained by writing Caterpillar Inc. 100 N.E. Adams St., Peoria IL, USA 61629-3345.

Warranty Period: The Standard Caterpillar Machine Warranty is 12 Months/UNLIMITED hours of operation (whichever occurs first), based upon Caterpillar's recommended guidelines. For new associated work tools, the warranty period is 12 Months/UNLIMITED hours, starting from the date of delivery or sale to first user. No extended coverage is available for Caterpillar work tools. For new replacement engines, the warranty is 6 months, starting from date of delivery to the first user. Note: For hydraulic line's quick connect / disconnect components sold on compact wheel loaders, mini hydraulic excavators, skid steer loaders, multi terrain loaders, and compact track loader machines, the warranty period is 50 hours starting from the date of delivery to the first user.

Caterpillar Responsibilities: If a defect in materials or workmanship is found during the Standard Warranty period, Caterpillar will, during normal working hours and at a place of business of a Caterpillar dealer or other source approved by Caterpillar, 1) Provide (at Caterpillar's choice) new, remanufactured, or Caterpillar-approved repaired parts or assembled components needed to correct the defect. 2) Replace lubricating oil, filters, antifreeze, and other service items made unusable by the defect. 3) Provide reasonable or customary labor needed to connect the defect. Note: Items replaced under this warranty become the property of Caterpillar. **Owner Responsibilities:** The user is responsible for: 1) Providing proof of deliver date to the first user. 2) The costs associated with transporting the product. 3) Labor costs, except as stated under "Caterpillar Responsibilities." 4) Local taxes, if applicable. 5) Parts shipping charges in excess of those which are usual and customary (air freight). 6) Cost to investigate complaints, unless the problem is caused by a defect in Caterpillar material or workmanship. 7) Giving timely notice of a warrantable failure and promptly making the product available for repair. 8) Costs associated with the performance of required maintenance (including proper fuel, oil, lubricants, and coolant) and items replaced due to normal wear and tear. 9) Allowing Caterpillar access to all electronically stored data. 10) Costs associated with travel time and mileage required for on-site repairs.

EXTENDED REPAIR COVERAGE

A. General Provisions: During the selected coverage period, Western States Equipment will repair or replace, at its option, covered components of the product identified on the face of this document under the Extended Coverage Section. Coverage is subject to the listed conditions of "Standard", "Full Machine", "Power Train", or "Power Train Plus Hydraulics" and for the appropriately indicated "Months" and "Hours" for components that are defective in material or workmanship, subject to the terms and conditions set forth on both sides of this document. Such repair or replacement will be free of charge for parts and labor, except as otherwise stated below or as stated within the Standard Caterpillar Warranty section above. Under the "Governmental Full Machine" option, the extended coverage includes Scheduled Oil Sampling materials and analysis provided by Western States Equipment at Caterpillar's prescribed intervals. An Extended Coverage Contract is not required for purchase or to obtain financing.

Warranty Periods: Warranty periods for Extended Coverage are indicated in the extended warranty coverage box on the face of this document. The coverage is listed for hours and months, whichever expires first.

Owners Responsibilities: The owner (lessee, for leased products) at their expense, must maintain the product in accordance with the product's Operators Manual, and, upon request, provide adequate records verifying maintenance. For the "Power Train", "Power Train Plus Hydraulics", and "Full Machine" Extended Coverage, Scheduled Oil Sampling (SOS) must be taken by the owner at Caterpillar recommended intervals and sent to Western States Equipment. Failure to do so could jeopardize the Extended Coverage and result in shared liability on a pro rata basis if SOS could have predicted or reduced the cost of a covered failure. Note: Any malfunction of the service meter shall be reported within 30 days of said malfunction in writing, or this agreement is null and void.

Power Train Extended Coverage: The following components are covered. If a component is not listed, it is not covered. 1) ENGINE: basic engine including engine components essential to engine operation (i.e., fuel pump, oil pump, water pump, turbocharger, governor, engine control module, etc.). 2) TRANSMISSION: includes transmission pump and hydraulic controls. 3) TORQUE CONVERTER/DIVIDER. 4) DRIVE LINE: includes pinion and bevel gear. 5) TRANSFER GEAR GROUP. 6) DRIVE AXLES. 7) FINAL DRIVES. 8) HYDRAULIC DRIVE PUMPS AND MOTORS: on hydraulic excavators and machines equipped with hydrostatic drive or differential steering, including hydrostatic lines between the pump and motor. 9) BRAKE COMPONENTS for track-type loaders and tractors, only if they also provide steering. 10) STEERING CLUTCH COMPONENTS: on track-type loaders and tractors, if so equipped. 11) DIFFERENTIAL STEERING COMPONENTS: includes differential steer planetary group, pump, motor and pilot valves. 12) VIBRATORY COMPONENTS: on vibratory compactors. Includes vibratory mechanism, hydraulic pump and motor, hydraulic valves, universal joints, bearings, and drum isolation system. 13) ROTOR DRIVE MECHANISM: on paving profilers, reclaimers and stabilizers. This includes the drive shaft group, sheave groups, and clutch group. This excludes belts, chains and rotor brakes. 14) ELECTRONIC CONTROLS AND SENSORS: which function to direct power for moving the machine. This includes power shift controls, engine pressure controls, differential lock, and fingertip controls. Also includes the wiring connectors that are part of the designated power train components.

Power Train Plus Hydraulics Extended Coverage: The following components are covered. If a component is not listed, it is not covered. Power Train Plus Hydraulics coverage includes all of the above listed items under Power Train for the appropriately indicated hours and months, plus the following: 1) HYDRAULIC/STEERING HOSES AND LINES. 2) HYDRAULIC QUICK-COUPERS AND SWIVELS. 3) HYDRAULIC TANKS: includes specific internal parts. 4) HYDRAULIC OIL FILTER BASE, excluding hydraulic oil filters. 5) HYDRAULIC PUMPS AND MOTORS: including steering pumps (main and supplemental). 6) HYDRAULIC CYLINDERS: steering, suspension, and implement hydraulic cylinders (includes bulldozer and ripper cylinders on track-type tractors). 7) HYDRAULIC VALVES AND CONTROLS: includes all parts that make up a valve for directing or controlling hydraulic fluid for steering and implements, including automatic blade controls and bucket position controls. 8) HYDRAULIC ACCUMULATORS: steering and implement. 9) HYDRAULIC OIL COOLERS: steering and implement.

Full Machine Extended Coverage: All of the listed items included in the POWER TRAIN and POWER TRAIN PLUS HYDRAULICS coverage, plus all attachments/accessories that were installed on the product before delivery which are not covered by another warranty, for the appropriately indicated hours and months of coverage on the face of this document (whichever expires first). Governmental application "Full Machine Failsafe Coverage" will also include all fluid filters and pre-paid SOS as prescribed by Caterpillar's recommendations and a 95% machine availability as recorded by owner. Machine availability for Governmental application Full Machine Failsafe coverage will be determined by:

Scheduled Hours Available for Work (numerator)

Scheduled Hours (denominator)

The machine availability will be evaluated at 12-month intervals. If machine availability is below 95%, Western States Equipment will reimburse owner \$25.00 per hour for the hours necessary to "enhance" availability to the 95% level.

Note: "Power Train", "Power Train Plus Hydraulics", and "Full Machine" coverage continue (unless transferred or terminated as per Section C or G below) until the expiration of the hours or months listed on the face of this document. The coverage period ends after reaching the specified number of months selected, or when the machine's hour meter reaches the specified number of hours limitation selected, whichever occurs first. Extended Coverage is available only through Western States Equipment for Caterpillar Equipment.

Note: Once Extended Coverage becomes effective, Western States Equipment's obligations there under extend only to the applicant identified on the face of this document, unless the remaining coverage is transferred to a subsequent end use purchaser of the product in accordance with Section F below, and indicated on the face of this document, or cancelled under Section G below.

Note: The travel time and mileage/hauling option is available only to Governmental application "Full Machine Failsafe coverage" option.

B. ITEMS NOT COVERED: Western States Equipment is not responsible for the following: 1) Premiums charged for overtime labor requested by the owner/lessee. 2) Transporting the product to and from the place where service is performed, or service calls made by the repairing dealer if the travel time and mileage/hauling option is not included. 3) Depreciation or damage caused by normal wear, lack of reasonable and proper maintenance, failure to follow operating instructions, misuse, lack of proper protection during storage, vandalism, the elements, collision or other accidents, or acts of God. 4) Normal maintenance and replacement of maintenance and wear items, such as filters, oil, fuel, hydraulic fluid, lubricants, coolants and conditioners, labor for taking oil sample, tires, Freon, batteries, lights, paint, fuses, glass, seat upholstery, undercarriage, lubricated joints (including pins and bushings), blades and cutting edge parts, belts, dry brakes, dry clutch linings, and bulbs. 5) Any defect in a non-covered component, or damage to or failure of a covered component caused by a defect in a non-covered component. 6) Travel time and mileage for Extended Repair Coverage repairs in the field, if travel time and mileage/hauling option is not included. 7) Auxiliary Equipment Manufacturers' attachments and new associated work tools and attachments carry only one warranty as prescribed by that manufacturer. 8) Western States Equipment will not be responsible for repairs, cost of repairs, or be assessed hours against the availability guarantee for damage or downtime caused by fire, vandalism, accident, operator's abuse, negligence, strikes, acts of God, failure to perform the manufacturer's recommended maintenance as set forth by the lube and maintenance guide, tire failure or Auxiliary Equipment or Attachments. 9) Owner/Lessee will not assess the time required to perform the manufacturer's recommended maintenance as set forth by the lube and maintenance guide against the availability guarantee. 10) All costs (including travel time and mileage/hauling) for repairs required because of abuse or improper operation will be charged to the owner/lessee. Minor repairs that do not affect the immediate and safe operation of the machine will be completed within the earliest possible period within Western States Equipment maintenance schedule.

C. TERMINATION OF EXTENDED COVERAGE: Western States Equipment is relieved of its obligation under Extended Coverage if: 1) The product is altered or modified in any manner not approved by Western States Equipment in writing. 2) The product's hour meter has been rendered inoperative or otherwise tampered with, or any malfunction of the service meter is not reported within 30 days of said malfunction in writing to Western States Equipment. 3) The product is removed from Western States' territory. 4) Use is made of the product within an application group other than the one designated in the original application for Extended Coverage for the product.

D. LIMITATIONS OF WESTERN STATES EQUIPMENT LIABILITY: In no event will Western States Equipment be liable for any incidental or consequential damages (including, without limitation, loss of profits, rental of substitute equipment, or other commercial loss) that may be caused due to a defect in the product or the breach of performance of Western States Equipment obligations under Extended Coverage.

E. OBTAINING EXTENDED COVERAGE SERVICE: To obtain service the owner/lessee must request Extended Coverage Service from the nearest Western States Equipment branch. When making a request, the owner/lessee must promptly make the product available for repair and inform the dealer of what they believe is the problem/defect. Extended Coverage service can be performed in the field if the owner/lessee and servicing branch agree to do so. However, Western States Equipment will not be held responsible for any additional cost incurred because of the decision to repair a machine in the field. Dealer Branches toll free number:

Idaho Falls, ID	877-552-2287	Pendleton, OR	888-388-2287
Lewiston, ID	800-842-2225	Pasco, WA	800-633-2287
Meridian, ID	800-852-2287	Spokane, WA	800-541-1234
Pocatello, ID	800-832-2287	Hayden, ID	208-762-6600 (Not a toll free number)
Twin Falls, ID	800-258-1009		
Kalispell, MT	800-635-7794		
Missoula, MT	800-548-1512		
LaGrande, OR	800-963-3101		

F. TRANSFER OF UNUSED COVERAGE UPON RESALE: Remaining Extended Coverage applicable to a used Caterpillar product is transferred to a subsequent end use purchaser only if: 1) The subsequent purchase is made before the product's Extended Coverage expires. 2) The product is determined by Western States Equipment to be in satisfactory condition following an inspection performed by an authorized Western States Equipment branch at the subsequent end use purchaser's expense. 3) The subsequent end use purchaser receives Western States Equipment's written confirmation of the transfer. 4) The use of the product by the subsequent end use purchaser remains in the initial/same application group designed on the product's original coverage application, or the subsequent end use purchaser pays the amount specified by Western States Equipment for conversion of the remaining coverage to a different application group.

G. CANCELLATION OF COVERAGE: The owner may cancel Extended Coverage: 1) Within thirty (30) days of machine purchase by original end use purchaser if no claim has been made, and receive a full refund of the coverage purchase price, less a \$50.00 cancellation fee. 2) At any other time during the coverage by the first end use purchaser and receive a pro rata refund of the coverage purchase price for the unexpired term of the coverage, based on the number of lapsed months, less a \$50.00 cancellation fee. 3) Prior to cancellation owner/lessee must provide written notice of the intent to cancel coverage to the nearest Western States Equipment branch.

H. COVERAGE AFFORDED UNDER THIS CONTRACT IS NOT GUARANTEED BY THE IDAHO INSURANCE GUARANTY ASSOCIATION. OBLIGATIONS OF THE MACHINE SERVICE CONTRACT PROVIDER UNDER THIS MACHINE SERVICE CONTRACT ARE GUARANTEED UNDER A SERVICE CONTRACT LIABILITY POLICY. SHOULD THE MACHINE SERVICE CONTRACT PROVIDER FAIL TO PAY OR PROVIDE SERVICE ON ANY CLAIM WITHIN SIXTY (60) DAYS AFTER PROOF OF LOSS HAS BEEN FILED, THE MACHINE SERVICE CONTRACT HOLDER IS ENTITLED TO MAKE A CLAIM DIRECTLY AGAINST THE INSURANCE COMPANY.

I. UPON FAILURE OF THE OBLIGOR TO PERFORM UNDER THE CONTRACT, CATERPILLAR INSURANCE COMPANY SHALL PAY ON BEHALF OF THE OBLIGOR ANY SUMS THE OBLIGOR IS LEGALLY OBLIGATED TO PAY OR SHALL PROVIDE THE SERVICE THAT THE OBLIGOR IS LEGALLY OBLIGATED TO PERFORM ACCORDING TO THE OBLIGOR'S CONTRACTUAL OBLIGATION UNDER THE SERVICE CONTRACTS ISSUED BY THE OBLIGOR, AND CATERPILLAR INSURANCE COMPANY WILL PAY CLAIMS AGAINST THE OBLIGOR FOR THE RETURN OF THE UNEARNED PURCHASE PRICE OF THE SERVICE CONTRACT.

J. THIS DOCUMENT IS NOT AN IMPLIED WARRANTY. THIS COVERAGE IS EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. REMEDIES UNDER THIS COVERAGE ARE LIMITED TO THE PROVISION OF MATERIAL AND LABOR, AS SPECIFIED HEREIN. WESTERN STATES EQUIPMENT IS NOT RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

K. REGISTER OBLIGOR: WESTERN STATES EQUIPMENT COMPANY IS REGISTERED OBLIGOR, WHO IS CONTRACTUALLY OBLIGATED TO THE SERVICE CONTRACT HOLDEWOWNERS NAME TO PROVIDE SERVICE UNDER THIS SERVICE AGREEMENT. WESTERN STATES EQUIPMENT COMPANY CAN BE CONTACTED AT THE FOLLOWING ADDRESS OR PHONE NUMBER: WESTERN STATES EQUIPMENT COMPANY 500 E OVERLAND ROAD, MERIDIAN, ID 83642 (208) 888-2287. SERVICE CONTRACT INSURBR: CATERPILLAR INSURANCE COMPANY 2120 WEST END AVE., NASHVILLE, TENNESSEE 37203 | 800 248-4228



Caterpillar Inc.
Peoria, Illinois 61629

☐ Check when information has
been entered into the
Product Information System
through Caterpillar dealer
terminal.

DO NOT SEND IF
ENTERED INTO P.I.S.

Delivery Service Record

Comprobante Del Servicio de Entrega

DLR CODE	MODEL	MACHINE SERIAL NO.	HOURS	DELIVERY DATE	ENGINE SERIAL NO.
COD. DISTRIB.	MODELO	N/S MAQUINA	HORAS	FECHA DE ENTREGA	N/S MOTOR
H510	150	EB400551	13	7/6/22	

ATTACHMENTS INSTALLED: BUCKET, DOZER, RIPPER, WINCH, CAB,
TRANSMISSION, BOOM, STICK, ETC.

ACCESORIOS INSTALADOS: CUCHARON, HOJA, DESGARRADOR, MALACATE,
CABINA, TRANSMISION, PLUMA, BRAZO, ETC.

Mfr. & Model or Part No. Fabricante y Modelo o N/P	Mfr. & Model or Part No. Fabricante y Modelo o N/P	Mfr. & Model or Part No. Fabricante y Modelo o N/P	Mfr. & Model or Part No. Fabricante y Modelo o N/P
Serial No N/S	Serial No N/S	Serial No N/S	Serial No N/S

Customer Name (Please Print)
Nombre del Cliente (con letra de imprenta) **Franklin County - Public Works**

Direction postal completa **3416 Stearman Ave Pasco, WA 99301-7104**

Country
pais **USA**

Delivery service on this machine has been completed, including the following items. Check () when each item is completed.
El servicio de entrega de esta máquina se ha completado incluso los puntos siguientes, Marque () cada punto que complete.

- | | |
|--|--|
| <input type="checkbox"/> 1. Operation Guide delivered with machine and operating controls and warning labels explained to user
Se entregó con la máquina la Guía de Operación y se explicó al usuario la operación de los controles y los rótulos de advertencia | <input type="checkbox"/> 3. Parts Book delivered with machine
Se entregó con la máquina el Catálogo de Piezas |
| <input type="checkbox"/> 2. Maintenance Guide delivered with machine and maintenance service fluid levels and adjustments explained to user
Se entregó con la máquina la Guía de Conservación y se explicó al usuario el servicio de conservación, los ajustes y nivel de fluidos | <input type="checkbox"/> 4. All items on Delivery Checklist have been completed
Se hizo todo lo indicado en el Comprobante de Entrega (Ver de Forma 1018531-01) |

User's Signature
Firma del usuario

Dist. Rep. Signature
Firma del representante
del distribuidor

Delivery Checklist CONTINUED ON REVERSE SIDE

At dealership

Make sure all pending Safety Product Improvement
Programs (PIP) have been completed
Make sure all necessary forms and literature are available
All decals are installed
All attachments are installed/available
Install shipping-service lock pins on fire suppressor
system (if equipped) when transporting machine

At delivery area with customer (owner, operator):

Explain Parts Book
Explain all warning labels on machine
Show location of all serial numbers on machine

Lubrication and Maintenance

Explain Maintenance Guide
Instruct how to use lubrication and maintenance chart
Show all lubrication points on the machine and attachments

Lista de Comprobación SIGUE AL DORSO

En la distribuidora

Asegure que se completaron los programas pendientes de
mejoras al producto para fines de seguridad (PIP)
Asegure que hay disponibles todas las formas y folletos
necesarios
Se han puesto todas las etiquetas
Todos los accesorios están instalados/disponibles
Se han instalado los pasadores de traba para embaque servicio
en el sistema supresor de incendios (si tiene) al transportar la
máquina

En el lugar de entrega, con el cliente (propietario, operador):

Explicar el Catálogo de Piezas
Explicar todos los rótulos de advertencia de la máquina
Mostrar ubicación de todos los números de serie en la máquina

Lubricación y Conservación

Explicar la Guía de Conservación
Mostrar cómo se utiliza el cuadro de lubricación y conservación
Mostrar todos los puntos de lubricación de la máquina y accesorios

Governmental Buyback



Dear Franklin County - Public Works,

Tuesday, July 5, 2022

Reference Agreement: Q000268921-4

Please accept this letter as a guarantee for purchase of your Caterpillar machine mentioned in the box below. This guarantee is made in conjunction with the Governmental Failsafe Warranty. We agree to purchase this unit from you at the end of the term for the amount of value based on maximum of S.M.U.'s stated below. If the time period or service meter unit limits are exceeded the above machine will be appraised to determine a new value. Term begins at date of delivery, or start of financial contract.

Model	Serial Number	Term - Amount - Maximum S.M.U.'s
150	EB400551	\$205,000.00 Not to Exceed 5 Years 5,000hrs

Lessee agrees that each Unit, upon its return, shall:

1. Be in sound mechanical condition and to be in good working order under full load.
2. Have the same attachments and piece parts as when delivered.
3. If machine is equipped with tires: have tires in safe and operable condition with a minimum of (40%) of wear remaining tread life and all of the same style (no recapped tires).
4. If machine is equipped with tracks: have a minimum of forty percent (40%) life remaining on all undercarriage components including track shoes, links, pins and bushings, idlers, bogies, sprockets, carrier rollers, track rollers.
5. Have no cracked or broken glass.
6. Have no missing sheet metal and any damage to sheet metal.
7. Have no structural damage to frame.
8. Have met the full requirement of the warranty procedures, including scheduled oil sampling at the prescribed intervals.
9. Have no damage or modification to machine ROPS (roll over protection structure) per Caterpillar guidelines, repair or replacement of ROPS will be billed at time of return.

We require ninety (90) days written notice if you choose to exercise this guarantee and transfer title of the above-described equipment to Western States Equipment Company.

It is understood that under this agreement that the "terms of return" will be met and/or brought into compliance before this re-purchase agreement will be fully executed. Items that are out of compliance will be repaired and billed to Franklin County - Public Works.

If you have any questions or if we may be of further assistance, please call.

Sincerely,

Vice President, Finance



Authorized Signature

Used Equipment Manager