



## FINANCE LEASE AGREEMENT - EQUIPMENT

1. This Finance Lease Agreement ("Agreement"), made as of the date set forth below, is by and between The Bancorp Bank, National Association ("Lessor") and  
Deschutes County Sheriff ("Lessee").
2. **LEASE.** In consideration of the mutual covenants, terms and conditions hereinafter contained in this Agreement, Lessor hereby agrees to lease to Lessee, and Lessee hereby agrees to hire from Lessor, all of the machinery, equipment and other personal property, together with all components, parts, additions, accessories and attachments incorporated therein (all such property hereinafter collectively referred to as the "Equipment") described in the Equipment Lease Schedule or Schedules signed by Lessee (whether one or more, the "Schedule") and from time to time attached hereto and made a part hereof subject to the terms and conditions set forth in this Agreement and such Schedule or Schedules.
3. **TERM.** The term of the Lease as to any Equipment is set forth in the Schedule relating thereto; provided, however, that the Lease shall be effective from and after the date of Lessor's written acceptance of the terms, conditions and obligations of the Lease. As to any Equipment identified on a Schedule it shall commence on the date the Equipment identified on that Schedule is delivered to Lessee or Lessee's representative or on the day Lessor, at the instruction of Lessee, pays a dealer or supplier for that Equipment, whichever occurs first (the "Commencement Date").
4. **MONTHLY PAYMENT.** Each month during the Term of the Lease of Equipment identified on a Schedule Lessee shall pay to Lessor, as rent for such Equipment, without any deduction or setoff and without prior notice or demand, the total monthly payment (the "Monthly Payment") specified in that Schedule. The Monthly Payment shall be paid on the tenth (10<sup>th</sup>) day of the month for each calendar month during the term of the Lease of that Equipment. The Lease evidenced by a Schedule is a net lease, and Lessee shall not be entitled to any abatement of rent or other payments due hereunder or any reduction thereof under any circumstances or for any reason whatsoever. Lessee hereby waives any and all existing or future claims to any offset against the Monthly Payments due hereunder, and agrees to make the Monthly Payments regardless of any offset or claim which may be asserted in connection with the Lease of the Equipment. Monthly payments for any Equipment are to be paid in the manner and at the times specified in the Schedule related to that Equipment by mailing the same to Lessor at the Billing Address specified above.
5. **LATE PAYMENTS.** Time is of the essence of the Lease. In the event that any Monthly Payment or other sum due hereunder shall not have been paid within ten (10) days from the date on which it becomes due and payable, Lessor may collect, and Lessee hereby agrees to pay, a delinquency charge in the amount of \$5.00 or five (5) percent per month of the amount in arrears for the period such amount remains unpaid, whichever is greater. In the event that Lessee is in default and this Lease is placed for collection in the hands of an attorney who is not a salaried employee of Lessor, Lessee agrees to pay Lessor's attorney's fees plus court costs.
6. **LESSEE'S REPRESENTATIONS AND WARRANTIES.** Lessee hereby represents and warrants that:
  - (a) If Lessee is a corporation or other legal entity, Lessee has the authority and power to lease the Equipment from Lessor under this Agreement, is duly organized, existing and in good standing under the laws of the state of its incorporation or charter and is duly qualified as a foreign corporation or company authorized to transact business in, and is in good standing under the laws of, each other state in which the Equipment is to be located.
  - (b) If Lessee is a corporation or other legal entity, the leasing of the Equipment from Lessor by Lessee, the execution and delivery of this Agreement, one or more Schedules, and all related instruments and documents, and compliance by Lessee with the terms hereof (i) have been duly and legally authorized by appropriate action taken by Lessee; and (ii) are not in contravention of, and will not result in a breach of, any of the terms of Lessee's articles of incorporation, by-laws, charter or partnership agreement, or of any provisions relating to shares of the stock or other evidence of ownership of Lessee.
  - (c) This Agreement and all related instruments and documents, when executed by the duly authorized officers, members or partners of Lessee and delivered to Lessor, will constitute valid and legally binding obligations of Lessee, enforceable against Lessee in accordance with the terms thereof.
  - (d) Lessee hereby agrees to furnish promptly to Lessor whatever financial statements of Lessee that Lessor may reasonably require at any time and from time to time.
  - (e) Under the laws of the state(s) in which the Equipment is to be located, the Equipment consists solely of personal property and chattels. The parties agree that in no event shall the Equipment be classified other than as personal property, in whole or in part, irrespective of its use or manner of attachment to real property. Lessee agrees to take all steps necessary to insure that the Equipment remains personal property at all times.
7. **DELIVERY; INSPECTION AND ACCEPTANCE BY LESSEE.** Each item of the Equipment identified on a Schedule shall be delivered to Lessee at such place as shall be mutually agreed upon between Lessor and Lessee. Within 48 hours of the arrival of the Equipment, Lessee will cause an inspection of the Equipment to be made and, if the same is found to be in good order and in compliance with the provisions of any applicable purchase order(s), Lessee shall accept delivery of the same and shall execute

and deliver to Lessor a receipt and acceptance thereof in form and substance satisfactory to Lessor setting forth a complete description of the item or items of Equipment thus delivered and accepted; whereupon as between Lessor and Lessee, the same shall be deemed to have been finally accepted by Lessee pursuant to this Agreement and such Schedule.

8. **RISK OF LOSS.** Lessor shall not be liable for loss or damage occasioned by any cause, circumstance or event of whatsoever nature, including, but not limited to, failure of or delay in delivery, delivery to wrong place, delivery of improper equipment or property other than the Equipment, damage to the Equipment, governmental regulations, strike, embargo or other cause, circumstance or event, whether of like or unlike nature. All packing, crating, freight, express, cartage, installation, service, use, sales, excise and import charges, expenses and taxes, recordation and titling fees and charges, and all other charges, expenses and taxes incurred in connection with Lessor's purchase of the Equipment and the shipment, delivery and installation and servicing of the Equipment by the manufacturer or supplier thereof or by any other party shall be the responsibility of Lessee and may, at the sole option of Lessor, be either included in the calculation of the total Monthly Payments due under the Lease or expended in which case the amount due shall be due and payable with the next Monthly Payment.
9. **IDENTIFICATION OF EQUIPMENT.** Lessee shall cause each principal item of Equipment to be continuously marked, in a plain, distinct and conspicuous manner, with the name of Lessor followed by the words "Owner and Lessor," or other appropriate words designated by Lessor, with appropriate changes thereof and additions thereto as from time to time may be required in order to protect the title of Lessor to each item of the Equipment and its rights under the Lease. Lessee will not place any item of Equipment in operation or exercise any control of dominion over the same until such name and words shall have been so marked thereon and will replace promptly any such name or words which may be removed, defaced or destroyed.
10. **USE AND MAINTENANCE.** Lessee shall not use the Equipment or allow it to be used in contravention of any law, governmental regulation or applicable insurance policy, and will not change the location of any Equipment as specified in the related Schedule without the prior written consent of Lessor.  
Lessee, at its own expense, will keep and maintain, or cause to be kept and maintained, the Equipment in as good operating condition as when delivered to Lessee hereunder, ordinary wear and tear resulting from proper use thereof alone excepted, and will provide all maintenance and service and make all repairs necessary for such purpose.  
In addition, if any parts or accessories forming part of the Equipment shall from time to time become worn out, lost, destroyed, damaged beyond repair or otherwise permanently rendered unfit for use, Lessee at its own expense, will within a reasonable time replace such parts or accessories, or cause the same to be replaced, by replacement parts or accessories which are free and clear of all liens, encumbrances or rights of others and have a value and utility at least equal to the parts or accessories replaced. All equipment, accessories, parts and replacements for or which are added to or become attached to the Equipment which are essential to the operation of the Equipment or which cannot be detached from the Equipment without materially interfering with the operation of the Equipment or adversely affecting the value and utility which the Equipment would have had without the addition thereof, shall immediately become the property of Lessor, and shall be deemed incorporated in the Equipment and subject to the terms of this Lease as originally leased hereunder. Lessee shall not make any material alterations to the Equipment without the prior written consent of Lessor.  
Lessor shall have the right at any reasonable time to inspect the Equipment and all maintenance records with respect thereto, if any, and observe the use of the Equipment.
11. **DISCLAIMER OF WARRANTIES.** THE EQUIPMENT IDENTIFIED ON ANY SCHEDULE HAS BEEN SELECTED BY LESSEE AND PURCHASED BY LESSOR AT THE REQUEST OF LESSEE. LESSOR HEREBY EXPRESSLY DISCLAIMS AND MAKES TO LESSEE NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO: THE MERCHANTABILITY OF THE EQUIPMENT OR ITS FITNESS FOR ANY PARTICULAR PURPOSE; THE DESIGN OR CONDITION OF THE EQUIPMENT; THE QUALITY OR CAPACITY OF THE EQUIPMENT; THE WORKMANSHIP OF THE EQUIPMENT; COMPLIANCE OF THE EQUIPMENT WITH THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; AND ANY GUARANTY OR WARRANTY AGAINST PATENT INFRINGEMENT OR LATENT DEFECT, 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 loss resulting from the installation, operation or use of the Equipment or any products manufactured thereby. All assignable warranties made by the manufacturer or supplier to Lessor are hereby assigned to Lessee for and during the term of the Lease and Lessee agrees to settle all such claims directly with the manufacturer or supplier. Any such claim shall not affect in any manner the unconditional obligation of Lessee to make Monthly Payments hereunder.
12. **FEES AND TAXES.** Lessee shall pay all charges and taxes (local, state and federal) which may now or hereafter be imposed upon the ownership, leasing, rental, sale, purchase, possession or use of the Equipment, including but not limited to, sales, use and personal property taxes, but excluding, however, all taxes on or measured by Lessor's income.
13. **TITLE.** Title to the Equipment shall at all times remain in Lessor, and Lessee shall have no right, title or interest therein except as expressly set forth herein. The parties intend that the Equipment shall remain personal property, notwithstanding the manner in which it may be affixed to any real property, and Lessee shall obtain for Lessor, not less than five (5) days prior to the scheduled delivery date of the Equipment and, where appropriate, cause to be recorded at its own expense, from each landlord, owner, mortgagee or any person having an encumbrance or lien on the property where the Equipment is to be located, waivers of any lien, encumbrance or interest which such person might have or hereafter obtain or claim with respect to the Equipment. Lessee further agrees to maintain the Equipment free from all claims, liens and legal processes of creditors of Lessee and will defend, at its own expense, Lessor's title to the Equipment from such claims, liens or legal processes. Lessee shall also notify Lessor immediately upon receipt of notice of any lien, attachment or judicial proceeding affecting the Equipment in whole or in part.
14. **INSURANCE.** Lessee shall keep the Equipment insured against all insurable risks of loss or damage from every cause whatsoever

for not less than the full replacement value; and Lessee shall also carry public liability insurance, both personal injury and property damage, covering the Equipment with a single limit of not less than \$300,000 per occurrence. All said insurance shall be in form and amount and with companies satisfactory to Lessor. Any such insurance coverage shall not be subject to any co-insurance clause. All insurance for loss or damage shall provide that losses, if any, shall be payable to Lessor, and Lessor shall be named as an additional insured with respect to all such liability insurance. Lessee shall pay when due the premiums therefor and deliver to Lessor the policies of insurance or duplicates thereof, or other evidence satisfactory to Lessor of such insurance coverage. Each insurer shall agree, by endorsement upon the policy or policies issued by it or by independent instrument furnished to Lessor, that:

- (a) It will give Lessor thirty (30) days' prior written notice of the effective date of any material alteration or cancellation of such policy.
- (b) The coverage of Lessor shall not be terminated, reduced or affected in any manner regardless of any breach or violation by Lessee of any warranties, declarations or conditions of such insurance policy or policies.

The proceeds of such insurance payable as a result of loss or damage to the Equipment shall be applied, as required by the provisions of Section 15 hereof (i) toward the replacement, restoration or repair of the Equipment which may be lost, stolen, destroyed or damaged; or (ii) toward payment of the obligations of Lessee hereunder. Lessee irrevocably appoints Lessor as Lessee's attorney-in-fact to make claims and receive payment therefor, and execute and endorse all documents, checks or drafts received in payment for loss or damage under any of said insurance policies, but only to the extent the same relates to the Equipment.

Lessee shall provide evidence satisfactory to Lessor as to due compliance with the insurance provisions of this Section 14 prior to Lessee's acceptance and use of Equipment.

15. **LOSS AND DAMAGE.** Lessee hereby assumes and shall bear the entire risk of direct and consequential loss and damage to the Equipment from any and every cause whatsoever. No loss or damage to the Equipment or any part thereof shall release or impair any obligations of Lessee under the Lease, which shall continue in full force and effect and shall be absolute during the Term hereof. However, that obligation may be discharged by Lessee paying to Lessor all the accrued but unpaid Monthly Payments due under the Lease, the present value of the Monthly Payments which would have become due for the duration of the Term of the Lease, plus the Reversionary Value of the Equipment as set forth in the related Schedule less the amount of any recovery actually received by Lessor from insurance or otherwise for such loss or damage. Lessee agrees that Lessor shall not incur any liability or any other damages resulting to Lessee by reason of any delay in delivery or any delay caused by any non-performance, defective performance, or breakdown of the Equipment, nor shall Lessor at any time be responsible for personal injury or the loss or destruction of any other property resulting from the Equipment. In the event of loss or damage of any kind whatsoever to any item of Equipment, Lessee, at the option of Lessor, shall, at Lessee's expense (reduced by the application of any insurance proceeds):
  - (a) place the same in good repair, condition and working order; or
  - (b) replace the same with like equipment of the same or equivalent make and of the same or later model and in good repair, condition and working order, and furnish Lessor with necessary documents to vest good and marketable title thereto in Lessor.
16. **REDELIVERY.** Upon the expiration or earlier termination of the Lease of any Equipment identified on a Schedule (or of any renewal thereof, if applicable), Lessee shall, at its own expense, return the Equipment to Lessor to such location and in such manner as Lessor shall specify, in the same condition as when delivered to Lessee hereunder, ordinary wear and tear resulting from proper use thereof alone excepted, and free and clear of all liens, encumbrances or rights of others whatsoever except liens or encumbrances resulting from claims against Lessor not relating to the ownership of such Equipment. In the event that upon return of the Equipment to Lessor repairs are made necessary, in the reasonable opinion of Lessor, to place the Equipment in the condition required under this Section 16, Lessee agrees to pay the reasonable costs of such repairs and further agrees to pay Lessor reasonable rent for the period of time reasonably necessary to accomplish such repairs.
17. **INTENT.** It is the express intent of the parties that this Agreement constitutes a finance lease and in no event shall this Agreement and the Schedule or Schedules be construed as a sale of the Equipment. By virtue of the Lease, Lessee shall acquire no ownership, title, property, right, or interest (or any option therefor) other than as may be expressly provided in the Schedule identifying the Equipment which grants a leasehold interest solely to Lessee subject to all the terms and conditions of this Agreement.
18. **INDEMNITY.** Lessee hereby assumes and agrees to indemnify, protect and save harmless Lessor, its agents and employees from and against any and all losses, damages, injuries, claims, demands and expenses including legal expenses, or whatsoever kind and nature, arising on account of the ordering, acquisition, delivery, redelivery, installation or rejection of the Equipment, the possession, maintenance, use, condition (including without limitation, latent and other defects and whether or not discoverable by Lessor or Lessee, and any claim in tort for strict liability) or operation of any item of Equipment, and by whomsoever used or operated, during the Term of the Lease and thereafter until such time as such item is redelivered to Lessor with respect of that item of Equipment, the loss, damage, destruction, removal, return, surrender, sale or other disposition of Equipment or any item thereof. It is understood and agreed, however, that Lessor shall give Lessee prompt notice of any claim or liability hereby indemnified against and that Lessee shall be entitled to control the defense thereof.  
The obligations of Lessee under this Section 18, which accrue during the Term of the Lease, shall survive the termination of this Agreement.

**19. EVENTS OF DEFAULT.** Lessee shall be in default under the Lease upon the happening of any one or more of the following events or conditions ("Events of Default"):

- (a) Lessee refuses, without justification, to accept delivery of any Equipment identified on a Schedule; or
- (b) Lessee shall fail to make any Monthly Payment or any other payment thereunder within ten (10) days after the same shall have become due; or
- (c) Lessee shall fail to comply with the provisions of Section 14 hereof; or
- (d) Lessee shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder; or
- (e) If any writ or order of attachment, execution, or other legal process against Lessee is levied on any Equipment leased hereunder; or
- (f) If, in the sole discretion of Lessor, the financial condition of Lessee or any of Lessee's guarantors shall so change as to impair Lessee's ability to perform its obligations under the Lease or the ability of such guarantor to perform its obligations under such guaranty or if Lessor in good faith at any time deems itself to be insecure; or
- (g) Lessee shall be in default under any obligation for the payment of borrowed money to Lessor, for the deferred purchase price of property purchased from Lessor or for the payment of any rent under any lease agreement with Lessor covering real or personal property.

Any waiver of an Event of Default by Lessor on one occasion shall not constitute a waiver of that default on another occasion or of any other Event of Default.

**20. RIGHTS AND REMEDIES OF LESSOR.** Upon the occurrence of any Event of Default and at any time thereafter (subject to any applicable grace provisions), Lessor may without notice exercise one or more of the following rights and remedies, as Lessor in its sole discretion shall elect;

- (a) Declare all unpaid Monthly Payments then accrued or thereafter accruing, and any other payments under this Lease to be immediately due and payable;
- (b) Terminate the Lease as to any or all items of Equipment;
- (c) Take possession of and render unusable to Lessee any or all of the Equipment, wherever found, without any court order or other process of law (any such taking of possession shall not constitute a termination of the Lease as to such Equipment unless Lessor expressly so notifies Lessee in writing);
- (d) Use, hold, sell, lease or otherwise dispose of the Equipment or any item thereof at any location without affecting the obligations of Lessee as provided in the Lease;
- (e) Sell or lease the Equipment or any part thereof, at public auction or by private sale or lease at such time or times and upon such terms as Lessor may determine, free and clear of any rights of Lessee and, if notice thereof is required by law, any notice in writing of any such sale or lease by Lessor to Lessee not less than 10 days prior to the date thereof shall constitute reasonable notice to Lessee;
- (f) As security for Lessee's obligations hereunder, Lessee pledges to Lessor and grants to Lessor a security interest in and a right of set-off against all monies, deposits or other property of any kind, without limitation, owned by Lessee or in which Lessee has a joint or contingent interest and which are in Lessor's possession for any reason whatsoever;
- (g) Proceed by appropriate action either at law or in equity to enforce performance by Lessee of the applicable covenants of the Lease or to recover damages for the breach thereof;
- (h) Exercise any and all rights accruing to a Lessor under any applicable law upon a default by a Lessee.
- (i) Confess judgment against Lessee as provided in Section 29.

Lessor shall, in addition to the above, be entitled to receive from Lessee upon default, any and all damages which Lessor might suffer as a result of said default, including attorney's fees and 100% of such other expenses as are incurred in the rental, seizure, sale or reletting of the Equipment.

A termination of the Lease of any Equipment identified on a Schedule shall occur only upon written notice by Lessor to Lessee and only with respect to such items of Equipment as Lessor specifically elects to terminate in such notice. Except as to such items of Equipment with respect to which there is a termination, the Lease shall remain in full force and effect and Lessee shall be and remain liable for the full performance of all its obligations hereunder.

None of the rights and remedies under the Lease are intended to be exclusive, but each shall be cumulative and in addition to any other right or remedy referred to herein or otherwise available to Lessor at law or in equity. Any repossession or subsequent sale or lease by Lessor of any item of Equipment shall not bar an action for a deficiency as herein provided, and the bringing of an action or the entry of judgment against Lessee shall not bar Lessor's right to repossess any or all items of Equipment. **LESSEE WAIVES ANY AND ALL RIGHTS TO NOTICE AND TO A JUDICIAL HEARING AS A CONDITION PRECEDENT TO THE REPOSSESSION OF EQUIPMENT BY LESSOR IN THE EVENT OF A DEFAULT HEREUNDER BY LESSEE.**

**21. ASSIGNMENT BY LESSOR AND LESSEE.** Without the prior written consent of Lessor, Lessee may not by operation of law or otherwise (a) assign, transfer, pledge, hypothecate or otherwise dispose of the Lease or any interest therein or (b) sublet or lend the Equipment or permit it to be used by anyone other than Lessee or Lessee's employees.

For the purpose of providing funds for financing the purchase of Equipment, or for any other purpose, Lessee agrees (a) that Lessor may assign, sell or encumber all or any other part of the Lease, the Equipment and the Monthly Payments hereunder and (b) in the event of any such assignment of Monthly Payments hereunder and written notice thereof to Lessee, to unconditionally pay directly to any such assignee all Monthly Payments and other sums due or to become due under the Lease. **THE RIGHTS OF ANY SUCH ASSIGNEE SHALL NOT BE SUBJECT TO ANY DEFENSE, COUNTER-CLAIM OR SET-OFF WHICH LESSEE MAY HAVE AGAINST LESSOR.** Notwithstanding the foregoing, any such assignment (a) shall be subject to Lessee's right to possess and use the Equipment so long as Lessee is not in default under the Lease, and (b) shall be subject in all respects to the provisions

of this Agreement which shall be controlling over any inconsistent provision. Subject always to the foregoing, the Lease inures to the benefit of, and is binding upon, the successors and assigns of the parties hereto.

22. **LESSOR'S RIGHT TO PERFORM FOR LESSEE.** If Lessee fails to perform or comply with any of its agreements contained herein, Lessor shall have the right, but shall not be obligated, to effect such performance or compliance, and the amount of any out-of-pocket expenses and other reasonable expenses of Lessor incurred in connection with the performance of or compliance with such agreements, together with interest thereon at the maximum lawful rate on the date of payment by Lessor, shall be payable by Lessee upon demand.
23. **SECURITY INTEREST.** Lessee hereby grants Lessor a security interest in the Lease and the Equipment to secure Lessee's payment to Lessor of the Monthly Payments due hereunder. Lessee hereby authorizes Lessor to file this Agreement, any financing statements or security agreements with respect to the Equipment or any collateral provided by Lessee to Lessor prior to or following commencement of the Term of the Lease, in any state or states of the United States. Lessee further authorizes Lessor to file such Lease, financing statement or security agreement and, as Lessee's attorney-in-fact, to execute on behalf of Lessee any such financing statement or security agreement. Lessee agrees to execute such supplemental instruments and financing statements if Lessor deems such to be necessary or advisable and shall otherwise cooperate to defend the title of Lessor by filing or otherwise. Lessee agrees to pay the costs of recording such instruments and financing statements.
24. **NOTICES.** All notices (excluding billings and communications in the ordinary course of business) hereunder shall be in writing, sent by certified mail, return receipt requested, addressed to the other party at its respective address set forth in the heading of this Agreement (for Lessor) or at the end of this Agreement (for Lessee) or at such other address as such party shall from time to time designate in writing to the other party; and shall be effective from the date of receipt, except for such by Lessor, which shall be effective from the date of mailing.
25. **FURTHER ASSURANCES.** Lessee will promptly and duly execute and deliver to Lessor such further documents, instruments, financing statements and assurances and take such further action as Lessor may from time to time reasonably request in order to carry out the intent and purpose of the Lease and to establish and protect the rights and remedies created or intended to be created in favor of Lessor hereunder.
26. **MISCELLANEOUS.** This Agreement and all Schedules added hereto constitute the entire agreement between the parties with respect to the subject matter hereof and shall not be amended or altered in any manner except by a document in writing executed by both parties. Each execution of a Schedule subsequent to any executed concurrently herewith shall constitute a reaffirmation of the terms and conditions hereof; in no event shall the execution of a subsequent Schedule constitute a waiver by Lessor of any preexisting default in the performance of the terms and conditions hereof.  
Any provision of the Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The captions in this Agreement are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.
27. **CONSTRUCTION; GOVERNING LAW.** The Lease and the rights and obligations of the parties hereunder shall in all respects be governed by, and construed in accordance with, the laws of the State of Delaware, including all matters of construction, validity and performance, regardless of the location of the Equipment. The parties agree that any action or proceeding arising out of or relating to the Lease may be commenced in any court in the State of Delaware, and each party agrees that a summons and complaint commencing an action or proceeding in any such court shall be properly served and shall confer personal jurisdiction if served personally or by certified mail to it at its address designated pursuant hereto, or as it may provide in writing from time to time, or as otherwise provided under the laws of the State of Delaware.
28. **SECURITY DEPOSIT.** Lessee shall have paid to Lessor, either before or concurrently with the execution of the Lease, a security deposit as listed on the Schedule. This security deposit shall be held by Lessor during the Term and any renewal Term, if applicable, of the Lease and applied, as required, to satisfy any obligations of Lessee hereunder not otherwise timely satisfied by Lessee.  
If Lessee is not then in default, upon the expiration or earlier termination of the Term or any renewal Term, if applicable (whichever is later), of the Lease, the balance of such security deposit then held by Lessor shall promptly be paid to Lessee.
29. **CONFESSION OF JUDGMENT.** THE UNDERSIGNED LESSEE, JOINTLY AND SEVERALLY, UPON OR AFTER THE OCCURRENCE OF ANY EVENT OF DEFAULT, DOES HEREBY EMPOWER THE PROTHONOTARY OR ANY ATTORNEY OF ANY COURT OF RECORD WITHIN THE UNITED STATES OR ELSEWHERE TO APPEAR FOR THE UNDERSIGNED, OR ANY OF THEM, AND CONFESS A JUDGMENT OR JUDGMENTS AGAINST THE UNDERSIGNED OR ANY OF THEM IN LESSOR'S FAVOR AT ANY TIME AND FROM TIME TO TIME AFTER THE DATE HEREOF IN THE AMOUNT OF THE TOTAL AMOUNT OF LESSEE'S LIABILITY AS PROVIDED IN SECTION 20 HEREOF, WITH RELEASE OF ALL ERRORS AND WITHOUT STAY OF EXECUTION, AND INQUISITION AND EXTENSION UPON ANY LEVY ON REAL ESTATE IS HEREBY WAIVED AND CONDEMNATION AGREED TO AND THE EXEMPTION OF ALL PROPERTY FROM LEVY AND SALE ON ANY EXECUTION THEREON IS WAIVED, AND NO BENEFIT OF EXEMPTION SHALL BE CLAIMED UNDER OR BY VIRTUE OF ANY EXEMPTION LAW NOW IN FORCE OR WHICH MAY BE HEREAFTER ENACTED. THE AUTHORITY HEREIN GRANTED TO CONFESS JUDGMENT SHALL NOT BE EXHAUSTED BY AN EXERCISE THEREOF BUT SHALL CONTINUE FROM TIME TO TIME AND AT ALL TIMES UNTIL FULL PAYMENT OF ALL OF SAID LIABILITY. IF A TRUE COPY OF THIS INSTRUMENT SHALL BE FILED IN ANY SUCH ACTION, IT SHALL NOT BE NECESSARY TO FILE THE ORIGINAL AS A WARRANT OF ATTORNEY AND ANY STATUTE OR RULE OF COURT TO THE CONTRARY IS HEREBY EXPRESSLY WAIVED.

**30. NOTICE: THIS IS A FINANCE LEASE. YOU MUST READ THIS SECTION 30 BEFORE SIGNING.**

- (a) Lessee acknowledges that Lessee has selected the person supplying the Equipment identified on each Schedule and directed Lessor to acquire the Equipment from that person for purposes of the Lease;
- (b) Lessee acknowledges that Lessee is entitled to the promises and warranties provided to the Lessor by the person supplying the Equipment or by other persons that are provided to Lessor in connection with or as part of the contract by which Lessor acquired the Equipment; and
- (c) Lessee may communicate with the person supplying the Equipment to Lessor and receive an accurate and complete statement of those promises and warranties, including any disclaimers and limitations of terms or of remedies.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed under seal as of the day and year first above written. Lessee acknowledges reading and consenting to the Confession of Judgment in Section 29 and reading the Notice in Section 30 prior to execution of this Agreement.

Dated: 03/06/2023

<p><b>LESSEE</b>     Deschutes County Sheriff</p> <p><b>ADDRESS</b>   63333 W Highway 20          Bend, OR 97703</p> <p>Signature <u>Paul B Garrison</u></p> <p>Title <u>Captain</u></p> <p>Signature <u>[Handwritten Signature]</u></p> <p>Title <u>FLEET MANAGER</u></p> <p>Signature _____</p> <p>Title _____</p>	<p>Signature _____</p> <p>Title _____</p> <p>Signature _____</p> <p>Title _____</p> <hr/> <p><b>LESSOR</b>     The Bancorp Bank, National Association</p> <p>Signature _____</p> <p>Title _____</p>
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Address for Notices (Lessor):  
 The Bancorp Bank, National Association  
 Legal Department  
 409 Silverside Road, Suite 105  
 Wilmington, DE 19809