

**MUNICIPAL ASSET MANAGEMENT, INC.**

January 24, 2025

Mr. Matthew Mornick  
City of Mercer Island  
9611 SE 36<sup>th</sup> Street  
Mercer Island, WA 98040-3732

Re: Master Tax-Exempt Installment Purchase Agreement

Dear Matthew:

Enclosed you will find the lease financing documents for your review and execution. Please complete the documents and have a duly authorized officer sign the documents where indicated. **PLEASE HAVE THE DOCUMENTS EXECUTED WITH BLUE INK.**

Once executed, please e-mail a copy of the documents to me at [jtiemeyer@mamgt.com](mailto:jtiemeyer@mamgt.com). Please return the original documents to me at Municipal Asset Management, Inc., 25288 Foothills Drive North, Golden, CO 80401. Please contact me at 303-273-9496 or via e-mail with any questions.

Sincerely,

Jamie Tiemeyer  
Vice President

# Master Tax-Exempt Installment Purchase Agreement

Between: Municipal Asset Management, Inc. (the "Seller")  
25288 Foothills Drive North  
Golden, CO 80401

And: City of Mercer Island (the "Purchaser")  
9611 SE 36th St.  
Mercer Island, WA 98040  
Attention: Matthew Mornick  
Telephone: 206-516-9468

Dated: February 12, 2025

## ARTICLE I DEFINITIONS

The following terms will have the meanings indicated below unless the context clearly requires otherwise:

**"Agreement"** means this Master Tax-Exempt Installment Purchase Agreement, including all exhibits and schedules attached hereto.

**"Code"** is defined in Section 3.01(f).

**"Commencement Date"** is the date when the term of a Property Schedule and Purchaser's obligation to pay Installment Payments thereunder commences, which date shall be set forth in such Property Schedule.

**"Event of Default"** is defined in Section 13.01.

**"Installment Payments"** means the installment payments payable by Purchaser under Article VI of this Agreement and each Property Schedule, as set forth in each Property Schedule.

**"Installment Payment Dates"** means the Installment Payment dates for the Installment Payments as set forth in each Property Schedule.

**"Property"** means, collectively, the property purchased pursuant to this Agreement, and with respect to each Property Schedule, the property described in such Property Schedule, and all replacements, repairs, restorations, modifications and improvements thereof or thereto made pursuant to Section 8.01 or Article IX.

**"Property Schedule"** means a Property Schedule in the form attached hereto for Property Schedule 1. Subsequent Property Schedules pursuant to this Agreement shall be numbered consecutively, beginning with Property Schedule 2.

**"Purchaser"** means the entity identified as such in the first paragraph hereof, and its permitted successors and assigns.

**"Seller"** means the entity identified as such in the first paragraph hereof, and its successors and assigns.

**"State"** means the state where Purchaser is located.

**"Term"** means, with respect to a Property Schedule, the Term set forth in such Property Schedule.

**"Vendor"** means the manufacturer or contractor of the Property as well as the agents or dealers of the manufacturer or contractor from whom Seller or Purchaser arranged for the purchase of all or any portion of the Property.

## ARTICLE II

**2.01 Property Schedules Separate Financings.** Each Property Schedule executed and delivered under this Agreement shall be a separate financing, distinct from other Property Schedules. Without limiting the foregoing, upon the occurrence of an Event of Default with respect to a Property Schedule, Seller shall have the rights and remedies specified herein with respect to the Property financed and the Installment Payments payable under such Property Schedule, and except as expressly provided in Section 12.02 below, Seller shall have no rights or remedies with respect to Property financed or Installment Payments payable under any other Property Schedules unless an Event of Default has also occurred under such other Property Schedules.

## ARTICLE III

**3.01 Covenants of Purchaser.** As of the Commencement Date for each Property Schedule executed and delivered hereunder, Purchaser shall be deemed to represent, covenant and warrant for the benefit of Seller as follows:

- (a) Purchaser is a public body corporate and politic duly organized and existing under the constitution and laws of the State with full power and authority to enter into this Agreement and the Property Schedule and the transactions contemplated thereby and to perform all of its obligations thereunder.
- (b) Purchaser will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic. To the extent Purchaser should merge with another entity under the laws of the State, Purchaser agrees that as a condition to such merger it will require that the remaining or resulting entity shall be assigned Purchaser's rights and shall assume Purchaser's obligations hereunder.
- (c) Purchaser has been duly authorized to execute and deliver this Agreement and the Property Schedule by proper action by its governing body, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Agreement and the Property Schedule, and Purchaser has complied with such public bidding requirements as may be applicable to this Agreement and the Property Schedule and the acquisition by Purchaser of the Property thereunder. On or before the Commencement Date for the Property Schedule, Purchaser shall cause to be delivered an opinion of counsel in substantially the form attached to the form of the Property Schedule as Exhibit 2.
- (d) During the Term for the Property Schedule, the Property thereunder will perform and will be used by Purchaser only for the purpose of performing essential governmental uses and public functions within the permissible scope of Purchaser's authority.
- (e) Purchaser will provide Seller with current financial statements, budgets and proof of appropriation for the ensuing budget year and other financial information relating to the ability of Purchaser to continue this Agreement and the Property Schedule in such form and containing such information as may be requested by Seller.

- (f) Purchaser will comply with all applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), including Sections 103 and 148 thereof, and the regulations of the Treasury Department thereunder, from time to time proposed or in effect, in order to maintain the excludability from gross income for federal income tax purposes of the interest component of Installment Payments under the Property Schedule and will not use or permit the use of the Property in such a manner as to cause a Property Schedule to be a "private activity bond" under Section 141(a) of the Code. Purchaser covenants and agrees that it will use the proceeds of the Property Schedule as soon as practicable and with all reasonable dispatch for the purpose for which the Property Schedule has been entered into, and that no part of the proceeds of the Property Schedule shall be invested in any securities, obligations or other investments except for the temporary period pending such use nor used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the date of issuance of the Agreement, would have caused any portion of the Property Schedule to be or become "arbitrage bonds" within the meaning of Section 103(b)(2) or Section 148 of the Code and the regulations of the Treasury Department thereunder proposed or in effect at the time of such use and applicable to obligations issued on the date of issuance of the Property Schedule.
- (g) The execution, delivery and performance of this Agreement and the Property Schedule and compliance with the provisions hereof and thereof by Purchaser does not conflict with or result in a violation or breach or constitute a default under, any resolution, bond, agreement, indenture, mortgage, note, lease or other instrument to which Purchaser is a party or by which it is bound by any law or any rule, regulation, order or decree of any court, governmental agency or body having jurisdiction over Purchaser or any of its activities or properties resulting in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any property or assets of Purchaser or to which it is subject.
- (h) Purchaser's exact legal name is as set forth on the first page of this Agreement. Purchaser will not change its legal name in any respect without giving thirty (30) days prior notice to Seller.

#### **ARTICLE IV**

**4.01 Sale of Property.** On the Commencement Date of each Property Schedule executed hereunder, Seller will be deemed to sell, transfer and convey to Purchaser, and Purchaser will be deemed to purchase and accept from Seller, the Property described in such Property Schedule, in accordance with this Agreement and such Property Schedule, for the Term set forth in such Property Schedule.

**4.02 Term.** The term of each Property Schedule shall commence on the Commencement Date set forth therein and shall terminate upon payment of the final Installment Payment set forth in such Property Schedule, unless terminated sooner pursuant to this Agreement or the Property Schedule.

**4.03 Delivery, Installation and Acceptance of Property.** Purchaser shall order the Property, shall cause the Property to be delivered and installed at the locations specified in the applicable Property Schedule and shall pay all taxes, delivery costs and installation costs, if any, in connection therewith. To the extent funds are deposited under an escrow agreement or trust agreement for the acquisition of the Property, such funds shall be disbursed as provided therein. When the Property described in such Property Schedule is delivered, installed and accepted as to Purchaser's specifications, Purchaser shall immediately accept the Property and evidence said acceptance by executing and delivering to Seller the Acceptance Certificate substantially in the form attached to the Property Schedule.

#### **ARTICLE V**

**5.01 Location; Inspection.** The Property will be initially located or based at the location specified in the applicable Property Schedule. Seller shall have the right at all reasonable times during business hours to enter into and upon the property of Purchaser for the purpose of inspecting the Property.

#### **ARTICLE VI**

**6.01 Payment of Installment Payments.** Purchaser shall promptly pay Installment Payments under each Property Schedule, exclusively from legally available funds, in lawful money of the United States of America, to Seller in such amounts and on such dates as described in the applicable Property Schedule, at Seller's address set forth on the first page of this Agreement, unless Seller instructs Purchaser otherwise. Purchaser shall pay Seller a charge on any delinquent Installment Payments under a Property Schedule in an amount sufficient to cover all additional costs and expenses incurred by Seller from such delinquent Installment Payment. In addition, Purchaser shall pay a late charge of five cents per dollar or the highest amount permitted by applicable law, whichever is lower, on all delinquent Installment Payments and interest on said delinquent amounts from the date such amounts were due until paid at the rate of 12% per annum or the maximum amount permitted by law, whichever is less.

**6.02 Installment Payments to Constitute Binding Contractual Obligation.** Seller and Purchaser understand and intend that the obligation of Purchaser to pay Installment Payments under this Agreement and each Property Schedule executed and delivered hereunder shall constitute a binding contractual obligation of Purchaser for the full Term of each such Property Schedule. Purchaser covenants to include all such Installment Payments due under the Property Schedules in its annual budget and to make the necessary annual appropriation for all such Installment Payments. Neither this Agreement nor any Property Schedule shall be subject to termination by Purchaser in the event that Purchaser fails to appropriate any Installment Payments.

**6.03 Interest Component.** A portion of each Installment Payment due under each Property Schedule is paid as, and represents payment of, interest, and each Property Schedule hereunder shall set forth the interest component (or method of computation thereof) of each Installment Payment thereunder during the Term.

**6.04 Installment Payments to be Unconditional.** THE OBLIGATIONS OF PURCHASER TO PAY THE INSTALLMENT PAYMENTS DUE UNDER THE PROPERTY SCHEDULES AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED HEREIN SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE PROPERTY OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES. THIS PROVISION SHALL NOT LIMIT PURCHASER'S RIGHTS OR ACTIONS AGAINST ANY VENDOR AS PROVIDED IN SECTION 10.02.

**6.05 Defeasance of Installment Payments.** Purchaser may at any time irrevocably deposit in escrow with a defeasance escrow agent for the purpose of paying all of the principal component and interest component accruing under a Property Schedule, a sum of cash and non-callable securities consisting of direct obligations of, or obligations the principal of an interest on which are unconditionally guaranteed by, the United States of America or any agency or instrumentality thereof, in such aggregate amount, bearing interest at such rates and maturing on such dates as shall be required to provide funds sufficient for this purpose. Upon such defeasance, all right, title and interest of Seller in the Property under said Property Schedule shall terminate. Purchaser shall cause such investment to comply with the requirements of federal tax law so that the exclusion from gross income of the interest component of Installment Payments on said Property Schedule is not adversely affected.

**6.06 Gross-Up.** If an Event of Taxability occurs with respect to a Property Schedule, the interest component of Installment Payments on the Property Schedule shall thereafter be payable at the Taxable Rate, and Purchaser shall pay to Seller promptly following demand an amount sufficient to supplement prior Installment Payments on such Property Schedule so that Seller receives the interest component of such Installment Payments, retroactive to the date as of which the interest component is determined to be includible in the gross income of Seller for federal income tax purposes, calculated at the Taxable Rate, together with any penalties and interest actually imposed on Seller as a result of the Event of Taxability. For purposes of this Section, "Event of Taxability" means, with respect to a Property Schedule, (a) a final determination by the Internal Revenue Service or a court of competent jurisdiction that the interest component of Installment Payments on the Property Schedule is includible for federal income tax purposes in the gross income of Seller, or (b) receipt by Seller of a written opinion of a nationally recognized public finance lawyer or law firm to the effect that there exists substantial doubt whether the interest component of Installment Payments on the Property Schedule is excludible for federal income tax purposes from the gross income of Seller, in each case due to any action or failure to take action by Purchaser. "Taxable Rate" means an interest rate calculated to provide Purchaser with an after-tax yield equivalent to the yield provided to Purchaser by the interest rate at which the interest component of Installment Payments on a Property Schedule was originally calculated.

#### **ARTICLE VII**

**7.01 Title to the Property.** Upon acceptance of the Property by Purchaser and unless otherwise required by the laws of the State, title to the Property shall vest in Purchaser, subject to Seller's interests under the applicable Property Schedule and this Agreement.

**7.02 Personal Property.** The Property is and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Property or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon. If requested by Seller, Purchaser will, at Purchaser's expense, furnish a waiver of any interest in the Property from any party having an interest in any such real estate or building.

**7.03 Security Interest.** To secure the performance of all of Purchaser's obligations under this Agreement with respect to a Property Schedule, including without limitation all Property Schedules now existing are hereafter executed, Purchaser grants to Seller, for the benefit of Seller and its successors and assigns, a security interest constituting a first lien on Purchaser's interest in all of the Property under the Property Schedule, whether now owned or hereafter acquired, all additions, attachments, alterations and accessions to the Property, all substitutions and replacements for the Property, and on any proceeds of any of the foregoing, including insurance proceeds. Purchaser shall execute any additional documents, including financing statements, affidavits, notices and similar instruments, in form and substance satisfactory to Seller, which Seller deems necessary or appropriate to establish, maintain and perfect a security interest in the Property in favor of Seller and its successors and assigns. Purchaser hereby authorizes Seller to file all financing statements which Seller deems necessary or appropriate to establish, maintain and perfect such security interest.

## **ARTICLE VIII**

**8.01 Maintenance of Property by Purchaser.** Purchaser shall keep and maintain the Property in good condition and working order and in compliance with the manufacturer's specifications, shall use, operate and maintain the Property in conformity with all laws and regulations concerning the Property's ownership, possession, use and maintenance, and shall keep the Property free and clear of all liens and claims, other than those created by this Agreement. Purchaser shall have sole responsibility to maintain and repair the Property. Should Purchaser fail to maintain, preserve and keep the Property in good repair and working order and in accordance with manufacturer's specifications, and if requested by Seller, Purchaser will enter into maintenance contracts for the Property in form approved by Seller and with approved providers.

**8.02 Liens, Taxes, Other Governmental Charges and Utility Charges.** Purchaser shall keep the Property free of all levies, liens and encumbrances, except for the interest of Seller under this Agreement. The parties to this Agreement contemplate that the Property will be used for a governmental or proprietary purpose of Purchaser and, therefore, that the Property will be exempt from all property taxes. The Installment Payments payable by Purchaser under this Agreement and the Property Schedules hereunder have been established to reflect the savings resulting from this exemption from taxation. Purchaser will take such actions necessary under applicable law to obtain said exemption. Nevertheless, if the use, possession or acquisition of the Property is determined to be subject to taxation or later becomes subject to such taxes, Purchaser shall pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to the Property. Purchaser shall pay all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Property. Purchaser shall pay such taxes or charges as the same may become due; provided that, with respect to any such taxes or charges that may lawfully be paid in installments over a period of years, Purchaser shall be obligated to pay only such installments as accrue during the then current fiscal year of the Term for such Property.

**8.03 Insurance.** At its own expense, Purchaser shall maintain (a) casualty insurance insuring the Property against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Seller in an amount equal to at least the outstanding principal component of Installment Payments, and (b) liability insurance that protects Seller from liability in all events in an amount reasonably acceptable to Seller, and (c) worker's compensation insurance covering all employees working on, in, near or about the Property; provided that Purchaser may self-insure against all such risks (other than rental interruption). All insurance proceeds from casualty losses shall be payable as hereinafter provided in this Agreement. All such insurance shall be with insurers that are authorized to issue such insurance in the State. All such liability insurance shall name Seller as an additional insured. All such casualty insurance shall contain a provision making any losses payable to Seller and Purchaser as their respective interests may appear. All such insurance shall contain a provision to the effect that such insurance shall not be canceled or modified without first giving written notice thereof to Seller and Purchaser at least thirty (30) days in advance of such cancellation or modification. Such changes shall not become effective without Seller's prior written consent. Purchaser shall furnish to Seller, on or before the Commencement Date for each Property Schedule, and thereafter at Seller's request, certificates evidencing such coverage, or, if Purchaser self-insures, a written description of its self-insurance program together with a certification from Purchaser's risk manager or insurance agent or consultant to the effect that Purchaser's self-insurance program provides adequate coverage against the risks listed above.

**8.04 Advances.** In the event Purchaser shall fail to either maintain the insurance required by this Agreement or keep the Property in good repair and working order, Seller may, but shall be under no obligation to, purchase the required insurance and pay the cost of the premiums thereof or maintain and repair the Property and pay the cost thereof. All amounts so advanced by Seller shall constitute additional rent for the Term for the applicable Property Schedule and shall be due and payable on the next Installment Payment Date and Purchaser covenants and agrees to pay such amounts so advanced by Seller with interest thereon from the date such amounts are advanced until paid at the rate of 12% per annum or the maximum amount permitted by law, whichever is less.

## **ARTICLE IX**

**9.01 Damage or Destruction.** If (a) the Property under a Property Schedule or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty, or (b) title to, or the temporary use of, the Property under a Property Schedule or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, Seller and Purchaser will cause the Net Proceeds (as hereinafter defined) of any insurance claim, condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Property, unless Purchaser shall have exercised its right to defease the Property Schedule as provided herein, or unless Purchaser shall have exercised its option to prepay the Installment Payments if the Property Schedule so provides. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Purchaser. For purposes of Section 8.03 and this Article IX, the term "Net Proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim, condemnation award or sale under threat of condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof.

**9.02 Insufficiency of Net Proceeds.** If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 9.01, Purchaser shall (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds and, if Purchaser shall make any payments pursuant to this Section, Purchaser shall not be entitled to any reimbursement therefor from Seller nor shall Purchaser be entitled to any diminution of the amounts payable under Section 6.01, or (b) defease the Property Schedule pursuant to Section 6.05, or (c) exercise its option to prepay the Installment Payments pursuant to the optional prepayment provisions of the Property Schedule, if any. The amount of the Net Proceeds, if any, remaining after completing such repair, restoration, modification or improvement or after such defeasance or purchase may be retained by Purchaser.

## **ARTICLE X**

**10.01 Disclaimer of Warranties.** SELLER MAKES NO (AND SHALL NOT BE DEEMED TO HAVE MADE ANY) WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN, OPERATION OR CONDITION OF, OR THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE PROPERTY, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE STATE OF TITLE THERETO OR ANY COMPONENT THEREOF, THE ABSENCE OF LATENT OR OTHER DEFECTS (WHETHER OR NOT DISCOVERABLE), AND SELLER HEREBY DISCLAIMS THE SAME; IT BEING UNDERSTOOD THAT THE PROPERTY IS SOLD TO PURCHASER "AS IS" ON THE DATE OF THIS AGREEMENT OR THE DATE OF DELIVERY, WHICHEVER IS LATER, AND ALL SUCH RISKS, IF ANY, ARE TO BE BORNE BY PURCHASER. Purchaser acknowledges that it has made (or will make) the selection of the Property from the Vendor based on its own judgment and expressly disclaims any reliance upon any statements or representations made by Seller. Purchaser understands and agrees that (a) neither the Vendor nor any sales representative or other agent of Vendor, is (i) an agent of Seller, or (ii) authorized to make or alter any term or condition of this Agreement, and (b) no such waiver or alteration shall vary the terms of this Agreement unless expressly set forth herein. In no event shall Seller be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Agreement, the Property Schedules, or the existence, furnishing, functioning or use of any item, product or service provided for in this Agreement or the Property Schedules.

**10.02 Vendor's Warranties.** Seller hereby irrevocably assigns to Purchaser all rights that Seller may have to assert from time to time whatever claims and rights (including without limitation warranties) related to the Property against the Vendor. Purchaser's sole remedy for the breach of such warranty, indemnification or representation shall be against the Vendor of the Property, and not against Seller, nor shall such matter have any effect whatsoever on the rights and obligations of Seller with respect to this Agreement, including the right to receive full and timely payments hereunder. Purchaser expressly acknowledges that Seller makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties of the Vendor of the Property.

**10.03 Use of the Property.** Purchaser will not install, use, operate or maintain the Property improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement and the applicable Property Schedule. Purchaser shall provide all permits and licenses, if any, necessary for the installation and operation of the Property. In addition, Purchaser agrees to comply in all respects with all laws of the jurisdiction in which its operations involving any item of Property may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the items of the Property; provided that Purchaser may contest in good faith the validity or application of any such law or rule in any reasonable manner that does not, in the opinion of Seller, adversely affect the interest of Seller in and to the Property or its interest or rights under this Agreement. Purchaser shall promptly notify Seller in writing of any pending or threatened investigation, inquiry, claim or action by any governmental authority which could adversely affect this Agreement, any Property Schedule or the Property thereunder.

**10.04 Modifications.** Subject to the provisions of this Section, Purchaser shall have the right, at its own expense, to make alterations, additions, modifications or improvements to the Property. All such alterations, additions, modifications and improvements shall thereafter comprise part of the Property and shall be subject to the provisions of this Agreement. Such alterations, additions, modifications and improvements shall not in any way damage the Property, substantially alter its nature or cause it to be used for purposes other than those authorized under the provisions of state and federal law; and the Property, on completion of any alterations, additions, modifications or improvements made pursuant to this Section, shall be of a value which is equal to or greater than the value of the Property immediately prior to the making of such alterations, additions, modifications and improvements. Purchaser shall, at its own expense, make such alterations, additions, modifications and improvements to the Property as may be required from time to time by applicable law or by any governmental authority.

#### **ARTICLE XI**

**11.01 Option to Purchase.** Purchaser shall have the option to purchase Seller's entire interest in all of the Property subject to a Property Schedule and to terminate any restrictions herein on the Property under such Property Schedule on the last day of the Term for a Property Schedule, if the Property Schedule is still in effect on such day, upon payment in full of the Installment Payments due thereunder plus payment of One (1) Dollar to Seller. Upon exercise of the purchase option as set forth in this Section 11.01 and payment of the purchase price under the applicable Property Schedule, and performance by Purchaser of all other terms, conditions and provisions hereof, Seller shall deliver to Purchaser all such documents and instruments as Purchaser may reasonably require to evidence the transfer, without warranty by or recourse to Seller, of all of Seller's right, title and interest in and to the Property subject to such Property Schedule to Purchaser.

**11.02 Option to Prepay.** Purchaser shall have the option to prepay in whole the Installment Payments due under a Property Schedule, but only if the Property Schedule so provides, and on the terms set forth in the Property Schedule. Purchaser shall give written notice to Seller of its intent to purchase Seller's interest in the Property at least sixty (60) days prior to the last day of the Installment Term for applicable Property Schedule.

#### **ARTICLE XII**

**12.01 Assignment by Seller.** Seller's right, title and interest in, to and under each Property Schedule and the Property under such Property Schedule may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Seller without the necessity of obtaining the consent of Purchaser; provided that any assignment shall not be effective until Purchaser has received written notice, signed by the assignor, of the name, address and tax identification number of the assignee. Purchaser shall retain all such notices as a register of all assignees and shall make all payments to the assignee or assignees designated in such register. Purchaser agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements that may be reasonably requested by Seller or any assignee to protect its interests in this Agreement and the Property Schedules.

**12.02 Property Schedules Separate Financings.** Assignees of the Seller's rights in one Property Schedule shall have no rights in any other Property Schedule unless such rights have been separately assigned.

**12.03 Assignment and Subleasing by Purchaser.** NONE OF PURCHASER'S RIGHTS, TITLE AND INTEREST IN, TO AND UNDER THIS AGREEMENT AND IN THE PROPERTY MAY BE ASSIGNED, TRANSFERRED, CONVEYED, LEASED OR ENCUMBERED BY PURCHASER FOR ANY REASON, WITHOUT THE PRIOR WRITTEN CONSENT OF SELLER.

**12.04 Release and Indemnification Covenants.** To the extent permitted by applicable law, Purchaser shall indemnify, protect, hold harmless, save and keep harmless Seller from and against any and all liability, obligation, loss, claim and damage whatsoever, regardless of cause thereof, and all expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest (collectively, "Losses") arising out of or resulting from the entering into this Agreement, any Property Schedules hereunder, the ownership of any item of the Property, the loss of federal tax exemption of the interest on any of the Property Schedules, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of the Property or any accident in connection with the operation, use, condition, possession, storage or return of any item of the Property resulting in damage to property or injury to or death to any person; provided, however, that Purchaser shall not be required to indemnify Seller for Losses arising out of or resulting from Seller's own willful or negligent conduct, or for Losses arising out of or resulting from Seller's preparation of disclosure material relating to certificates of participation in this Agreement and any Property Schedule (other than disclosure material provided to Seller by Purchaser). The indemnification arising under this Section shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement, or the applicable Property Schedule, or the termination of the Term for such Property Schedule for any reason.

#### **ARTICLE XIII**

**13.01 Events of Default Defined.** Any of the following shall constitute an "Event of Default" under a Property Schedule:

- (a) Failure by Purchaser to pay any Installment Payment under the Property Schedule or other payment required to be paid with respect thereto at the time specified therein;
- (b) Failure by Purchaser to observe and perform any covenant, condition or agreement on its part to be observed or performed with respect to the Property Schedule, other than as referred to in subparagraph (a) above, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to Purchaser by Seller, unless Seller shall agree in writing to an extension of such time prior to its expiration; provided that, if the failure stated in the notice cannot be corrected within the applicable period, Seller will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Purchaser within the applicable period and diligently pursued until the default is corrected;
- (c) Any statement, representation or warranty made by Purchaser in or pursuant to the Property Schedule or its execution, delivery or performance shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;
- (d) Purchaser shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Purchaser, or of all or a substantial part of the assets of Purchaser, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Purchaser in any bankruptcy, reorganization or insolvency proceeding; or
- (e) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator of Purchaser or of all or a substantial part of the assets of Purchaser, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 60 consecutive days.

The foregoing provisions of Section 13.01 are subject to the following limitation: if by reason of force majeure Purchaser is unable in whole or in part to perform its agreements under this Agreement and the Property Schedule (other than any obligations on the part of Seller to make any payments hereunder) Purchaser shall not be in default during the continuance of such inability. The term "force majeure" as used herein shall mean the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections, riots, landslides, earthquakes, fires, storms, droughts, floods, explosions, breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Purchaser.

**13.02 Remedies on Default.** Whenever any Event of Default exists with respect to a Property Schedule, Seller shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

- (a) To the extent allowed by Washington law, without terminating the Property Schedule, and by written notice to Purchaser, Seller may declare all Installment Payments and other amounts payable by Purchaser thereunder to the end of the then-current budget year of Purchaser to be due, including without limitation delinquent Installment Payments under the Property Schedule from prior budget years, and such amounts shall thereafter bear interest at the rate of 12% per annum or the maximum rate permitted by applicable law, whichever is less;
- (b) To the extent allowed by Washington law, Seller may terminate the Property Schedule, and by written notice to Purchaser, Seller may accelerate the principal component of all outstanding Installment Payments, in which case Purchaser shall pay to Seller a sum sufficient to defease the Property Schedule under Section 6.05, together with interest on such sum from the date of acceleration until so paid at the rate of 12% per annum or the maximum rate permitted by applicable law, whichever is less, and to pay all other sums due under the Property Schedule;

- (c) Seller may terminate the Property Schedule, may enter the premises where the Property subject to the Property Schedule is located and retake possession of the Property, or require Purchaser, at Purchaser's expense, to promptly return any or all of the Property to the possession of Seller at such place within the United States as Seller shall specify, and Seller may thereafter dispose of the Property in accordance with Article 9 of the Uniform Commercial Code in effect in the State, continuing to hold Purchaser liable for any deficiency and all costs and expenses incurred by Seller in exercising its remedies hereunder, including, without limitation, all costs and expenses of taking possession, removing, storing and reconditioning the Property, and including, without limitation, all brokerage and attorneys fees;
- (d) By written notice to any escrow agent who is holding proceeds of the Property Schedule, Seller may instruct such escrow agent to release all such proceeds and any earnings thereon to Seller, such sums to be credited to payment of Purchaser's obligations under the Property Schedule;
- (e) Seller may take any action, at law or in equity, that is permitted by applicable law and that may appear necessary or desirable to enforce or to protect any of its rights under the Property Schedule and this Agreement.

**13.03 No Remedy Exclusive.** No remedy herein conferred upon or reserved to Seller is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Seller to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article.

**13.04 Costs and Attorney Fees.** Upon the occurrence of an Event of Default by Purchaser in the performance of any term of this Agreement, Purchaser agrees to pay to Seller or reimburse Seller for, in addition to all other amounts due hereunder, all of Seller's costs of collection, including reasonable attorney fees, whether or not suit or action is filed thereon. Any such costs shall be immediately due and payable upon written notice and demand given to Purchaser, shall be secured by this Agreement until paid and shall bear interest at the rate of 12% per annum or the maximum amount permitted by law, whichever is less. In the event suit or action is instituted to enforce any of the terms of this Agreement, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorneys' fees at trial or on appeal of such suit or action or in any bankruptcy proceeding, in addition to all other sums provided by law.

#### **ARTICLE XIV**

**14.01 Notices.** All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified mail, postage prepaid, to the parties hereto at the addresses specified on the first page of this Agreement (or at such other address as either party hereto shall designate in writing to the other for notices to such party), to any assignee at its address as it appears on the registration books maintained by Purchaser.

**14.02 Arbitrage Certificates.** Unless a separate Arbitrage Certificate is delivered on the Commencement Date, Purchaser shall be deemed to make the following representations and covenants as of the Commencement Date for each Property Schedule:

- (a) The estimated total costs, including taxes, freight, installation, cost of issuance, of the Property under the Property Schedule will not be less than the total principal amount of the Installment Payments.
- (b) The Property under the Property Schedule has been ordered or is expected to be ordered within six months after the Commencement Date and the Property is expected to be delivered and installed, and the Vendor fully paid, within eighteen months from the Commencement Date. Purchaser will pursue the completion of the Property and the expenditure of the net proceeds of the Property Schedule with due diligence.
- (c) Purchaser has not created or established, and does not expect to create or establish, any sinking fund or other similar fund (i) that is reasonably expected to be used to pay the Installment Payments under the Property Schedule, or (ii) that may be used solely to prevent a default in the payment of the Installment Payments under the Property Schedule.
- (d) The Property under the Property Schedule has not been and is not expected to be sold or otherwise disposed of by Purchaser, either in whole or in major part, prior to the last maturity of the Installment Payments under the Property Schedule.
- (e) There are no other obligations of Purchaser which (i) are being sold within 15 days of the Commencement Date of the Property Schedule; (ii) are being sold pursuant to the same plan of financing as the Property Schedule; and (iii) are expected to be paid from substantially the same source of funds.
- (f) The officer or official who has executed the Property Schedule on Purchaser's behalf is familiar with Purchaser's expectations regarding the use and expenditure of the proceeds of the Property Schedule. To the best of Purchaser's knowledge, information and belief, the facts and estimates set forth in herein are accurate and the expectations of Purchaser set forth herein are reasonable.

**14.03 Further Assurances.** Purchaser agrees to execute such other and further documents, including, without limitation, confirmatory financing statements, continuation statements, certificates of title and the like, and to take all such action as may be necessary or appropriate, from time to time, in the reasonable opinion of Seller, to perfect, confirm, establish, reestablish, continue, or complete the interests of Seller in this Agreement and the Property Schedules, to consummate the transactions contemplated hereby and thereby, and to carry out the purposes and intentions of this Agreement and the Property Schedules.

**14.04 Binding Effect.** This Agreement shall inure to the benefit of and shall be binding upon Seller and Purchaser and their respective successors and assigns.

**14.05 Severability.** In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**14.06 Waiver of Jury Trials.** Purchaser and Seller hereby irrevocably waive all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the actions of Seller or Purchaser in the negotiation, administration, performance or enforcement hereof.

**14.07 Amendments, Changes and Modifications.** This Agreement may be amended in writing by Seller and Purchaser to the extent the amendment or modification does not apply to outstanding Property Schedules at the time of such amendment or modification. The consent of all assignees shall be required to any amendment or modification before such amendment or modification shall be applicable to any outstanding Property Schedule.

**14.08 Execution in Counterparts.** This Agreement and the Property Schedules hereunder may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**14.09 Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State.

**14.10 Captions.** The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

**14.11 Continuing Disclosure.** Seller acknowledges that, in connection with Purchaser's compliance with any continuing disclosure undertakings (each, a "Continuing Disclosure Agreement") entered into by Purchaser pursuant to SEC Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), Purchaser may be required to file with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, or its successor ("EMMA"), notice of its incurrence of its obligations under this Agreement and notice of any accommodation, waiver, amendment, modification of terms or other similar events reflecting financial difficulties in connection with this Agreement, in each case including a description of the material terms thereof (each such notice, an "EMMA Notice"). Purchaser shall not file or submit or permit the filing or submission of any EMMA Notice that includes any of the following unredacted information regarding Seller or the Escrow Agent: physical or mailing addresses, account information, e-mail addresses, telephone numbers, fax numbers, tax identification numbers, or titles or signatures of officers, employees or other signatories. Purchaser acknowledges and agrees that Seller is not responsible in connection with any EMMA Notice relating to this Agreement for Purchaser's compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with the Rule, any Continuing Disclosure Agreement or any applicable securities laws, including but not limited to those relating to the Rule.

IN WITNESS WHEREOF, Seller and Purchaser have caused this Agreement to be executed in their names by their duly authorized representatives as of the date first above written.

<b>Seller: Municipal Asset Management, Inc.</b>
By:
Name:
Title:

<b>Purchaser: City of Mercer Island</b>
By:
Name:
Title:

Attest:
By:
Name:
Title:

DRAFT

## ADDENDUM (WASHINGTON)

### Master Tax-Exempt Installment Purchase Agreement

THIS ADDENDUM, which is entered into as of February 12, 2025 between Municipal Asset Management, Inc. ("Seller") and City of Mercer Island ("Purchaser"), is intended to modify and supplement Property Schedule No. 1 (the "Property Schedule") to the Master Tax-Exempt Installment Purchase Agreement between Seller and Purchaser dated as of February 12, 2025 (the "Master Agreement"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Master Agreement.

In addition to the representations, warranties and covenants of Purchaser set forth in the Master Agreement, Purchaser, as of the Commencement Date for the Property Schedule, represents, warrants and covenants for the benefit of Seller that Purchaser is not in violation of, and the execution and delivery of the Property Schedule will not cause Purchaser to violate, any debt limitations applicable to Purchaser or the Property Schedule, and without limiting the foregoing:

(i) if Purchaser is a county, city or town, Purchaser is not in violation of, and the execution and delivery of the Property Schedule will not cause Purchaser to violate, the provisions of Section 39.30.010 of the Revised Code of Washington *[attach computation of test]*;

(ii) if Purchaser is a school district, Purchaser is not in violation of, and the execution and delivery of the Property Schedule will not cause Purchaser to violate, the provisions of Section 28A.335.200 or Section 39.36.020 of the Revised Code of Washington *[attach computation of test]*;

(iii) if Purchaser is a fire district, Purchaser is not in violation of, and the execution and delivery of the Property Schedule will not cause Purchaser to violate, the provisions of Section 52.12.061 of the Revised Code of Washington *[attach computation of test]*;

(iv) if Purchaser is a hospital district, Purchaser is not in violation of, and the execution and delivery of the Property Schedule will not cause Purchaser to violate, the provisions of Section 70.44.260 of the Revised Code of Washington *[attach computation of test]*.

IN WITNESS WHEREOF, Seller and Purchaser have caused this Addendum to be executed in their names by their duly authorized representatives as of the date first above written.

<b>Seller: Municipal Asset Management, Inc.</b>
By:
Name:
Title:

<b>Purchaser: City of Mercer Island</b>
By:
Name:
Title:

Attest:
By
Name:
Title:



# Property Schedule No. 1

## Master Tax-Exempt Installment Purchase Agreement

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This **Property Schedule No. 1** is entered into as of the Commencement Date set forth below, pursuant to that certain Master Tax-Exempt Installment Purchase Agreement (the "Master Agreement"), dated as of February 12, 2025, between Municipal Asset Management, Inc., and City of Mercer Island.

1. Entire Agreement; Interpretation. The terms and conditions of the Master Agreement are incorporated herein by reference as if fully set forth herein. The Master Agreement, this Property Schedule and the associated documents hereto constitute the entire agreement between Purchaser and Seller with respect to the Property and supersede any purchase order, invoice, request for proposal, response or other related document. Reference is made to the Master Agreement for all representations, covenants and warranties made by Purchaser in the execution of this Property Schedule, unless specifically set forth herein. In the event of a conflict between the provisions of the Master Agreement and the provisions of this Property Schedule, the provisions of this Property Schedule shall control. All capitalized terms not otherwise defined herein shall have the meanings provided in the Master Agreement.
2. Commencement Date. The Commencement Date for this Property Schedule is February 12, 2025.
3. Property Description and Payment Schedule. The Property subject to this Property Schedule is described in Exhibit 1 hereto. Purchaser shall not remove such property from the locations set forth therein without giving prior written notice to Seller. The Installment Payment Schedule for this Property Schedule is set forth in Exhibit 1. It includes all replacements, parts, repairs, additions, accessions and accessories incorporated therein or affixed or attached thereto and any and all proceeds of the foregoing, including, without limitation, insurance recoveries.
4. Opinion. The Opinion of Purchaser's Counsel is attached as Exhibit 2.
5. Purchaser's Certificate. The Purchaser's Certificate is attached as Exhibit 3.
6. Proceeds. Seller shall disburse the proceeds of this Property Schedule in accordance with the instructions attached hereto as Exhibit 4.
7. Acceptance Certificate. The form of Acceptance Certificate is attached as Exhibit 5.
8. Additional Purchase Option Provisions. In addition to the Purchase Option provisions set forth in the Master Agreement, Installment Payments payable under this Property Schedule shall be subject to prepayment in whole at any time by payment of the applicable Termination Amount set forth in Exhibit 1 (Payment Schedule) and payment of all accrued and unpaid interest through the date of prepayment.
9. Private Activity Issue. Purchaser understands that among other things, in order to maintain the exclusion of the interest component of Installment Payments from gross income for federal income tax purposes, it must limit and restrict the rights private businesses (including, for this purpose, the federal government and its agencies and organizations described in the Code § 501(c)(3)) have to use the Property. Each of these requirements will be applied beginning on the later of the Commencement Date or date each portion of the Property is placed in service and will continue to apply until earlier of the end of the economic useful life of the property or the date the Agreement or any tax-exempt obligation issued to refund the Property Schedule is retired (the "Measurement Period"). Purchaser will comply with the requirements of Section 141 of the Code and the regulations thereunder which provide restrictions on special legal rights that users other than Purchaser or a state or local government or an agency or instrumentality of a state or a local government (an "Eligible User") may have to use the Property. For this purpose, special legal rights may arise from a management or service agreement, Installment, research agreement or other arrangement providing any entity except an Eligible User the right to use the Property. Any use of the Property by a user other than an Eligible User is referred to herein as "Non-Qualified Use". Throughout the Measurement Period, all of the Property is expected to be owned by Purchaser. Throughout the Measurement Period, Purchaser will not permit the Non-Qualified Use of the Property to exceed 10%.
10. Bank Qualification and Arbitrage Rebate. Attached as Exhibit 6.
11. Expiration. Seller, at its sole determination, may choose not to accept this Property Schedule if the fully executed, original Master Agreement (including this Property Schedule and all ancillary documents) is not received by Seller at its place of business by March 2, 2025.

*(Page intentionally left blank. Signature page to follow)*

IN WITNESS WHEREOF, Seller and Purchaser have caused this Property Schedule to be executed in their names by their duly authorized representatives as of the Commencement Date above.

<b>Seller: Municipal Asset Management, Inc.</b>
By:
Name:
Title:

<b>Purchaser: City of Mercer Island</b>
By:
Name:
Title:

Attest:
By
Name:
Title:

DRAFT

# EXHIBIT 1

## Property Description and Payment Schedule

Re: **Property Schedule No. 1** to Master Tax-Exempt Installment Purchase Agreement between Municipal Asset Management, Inc. and City of Mercer Island.

The Property is as follows: The Property as more fully described in Exhibit A incorporated herein by reference and attached hereto.

PROPERTY LOCATION:

Address

City, State Zip Code

USE: Fire Trucks - This use is essential to the proper, efficient and economic functioning of Purchaser or to the services that Purchaser provides; and Purchaser has immediate need for and expects to make immediate use of substantially all of the Property, which need is not temporary or expected to diminish in the foreseeable future.

### Installment Payment Schedule

Total Principal Amount: \$1,968,029.31

Payment No.	Due Date	Installment Payment	Principal Portion	Interest Portion	Termination Amount (After Making Payment for said Due Date)
1	6/1/2025	266,571.58	237,433.27	29,138.31	NA
2	6/1/2026	266,571.58	181,945.44	84,626.14	1,595,110.12
3	6/1/2027	266,571.58	190,842.57	75,729.01	1,398,542.27
4	6/1/2028	266,571.58	200,174.77	66,396.81	1,192,362.26
5	6/1/2029	266,571.58	209,963.32	56,608.26	976,100.04
6	6/1/2030	266,571.58	220,230.52	46,341.06	749,262.60
7	6/1/2031	266,571.58	230,999.79	35,571.79	511,332.81
8	6/1/2032	266,571.58	242,295.68	24,275.90	261,768.26
9	6/1/2033	266,571.58	254,143.94	12,427.64	0.00
<b>TOTAL</b>		<b>2,399,144.22</b>	<b>1,968,029.31</b>	<b>431,114.91</b>	

Interest Rate: 4.89%

Purchaser: City of Mercer Island

By:

Name:

Title:

EXHIBIT A

Property Description

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Fire Trucks

VIN #'s To Be Determined

DRAFT

## EXHIBIT 2

### Purchaser's Counsel's Opinion

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[To be provided on letterhead of Purchaser's counsel.]

February 12, 2025

Municipal Asset Management, Inc.  
25288 Foothills Drive North  
Golden, CO 80401

City of Mercer Island  
9611 SE 36th St.  
Mercer Island, WA 98040  
Attention: Matthew Mornick

RE: Property Schedule No. 1 dated as of February 12, 2025 to Master Tax-Exempt Installment Purchase Agreement dated as of February 12, 2025 between Municipal Asset Management, Inc. and City of Mercer Island.

Ladies and Gentlemen:

We have acted as special counsel to City of Mercer Island ("Purchaser"), in connection with the Master Tax-Exempt Installment Purchase Agreement, dated as of February 12, 2025 (the "Master Agreement"), between City of Mercer Island, as Purchaser, and Municipal Asset Management, Inc. as Seller ("Seller"), and the execution of Property Schedule No. 1 (the "Property Schedule") dated as of February 12, 2025, pursuant to the Master Agreement. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

All capitalized terms not otherwise defined herein shall have the meanings provided in the Master Agreement and Property Schedule.

As to questions of fact material to our opinion, we have relied upon the representations of Purchaser in the Master Agreement and the Property Schedule and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. Purchaser is a public body corporate and politic, duly organized and existing under the laws of the State, and has a substantial amount of one or more of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) the police power.
2. Purchaser has all requisite power and authority to enter into the Master Agreement and the Property Schedule and to perform its obligations thereunder.
3. The execution, delivery and performance of the Master Agreement and the Property Schedule by Purchaser has been duly authorized by all necessary action on the part of Purchaser.
4. All proceedings of Purchaser and its governing body relating to the authorization and approval of the Master Agreement and the Property Schedule, the execution thereof and the transactions contemplated thereby have been conducted in accordance with all applicable open meeting laws and all other applicable state and federal laws.
5. Purchaser has acquired or has arranged for the acquisition of the Property subject to the Property Schedule, and has entered into the Master Agreement and the Property Schedule, in compliance with all applicable public bidding laws.
6. Purchaser has obtained all consents and approvals of other governmental authorities or agencies which may be required for the execution, delivery and performance by Purchaser of the Master Agreement and the Property Schedule.

7. The Master Agreement and the Property Schedule have been duly executed and delivered by Purchaser and constitute legal, valid and binding obligations of Purchaser, enforceable against Purchaser in accordance with the terms thereof, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other laws of equitable principles of general application, or of application to municipalities or political subdivisions such as the Purchaser, affecting remedies or creditors' rights generally, and to the exercise of judicial discretion in appropriate cases.

8. As of the date hereof, based on such inquiry and investigation as we have deemed sufficient, no litigation is pending, (or, to our knowledge, threatened) against Purchaser in any court (a) seeking to restrain or enjoin the delivery of the Master Agreement or the Property Schedule or of other agreements similar to the Master Agreement; (b) questioning the authority of Purchaser to execute the Master Agreement or the Property Schedule, or the validity of the Master Agreement or the Property Schedule, or the payment of principal of or interest on, the Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Master Agreement and the Property Schedule; or (d) affecting the provisions made for the payment of or security for the Master Agreement and the Property Schedule.

This opinion may be relied upon by Seller, its successors and assigns, and any other legal counsel who provides an opinion with respect to the Property Schedule.

Very truly yours,

By: \_\_\_\_\_

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

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

Dated: \_\_\_\_\_

**EXHIBIT 3**

**Purchaser's General and Incumbency Certificate**

**GENERAL CERTIFICATE**

Re: **Property Schedule No. 1** dated as of February 12, 2025 to the Master Tax-Exempt Installment Purchase Agreement dated February 12, 2025 between Municipal Asset Management, Inc. and City of Mercer Island.

The undersigned, being the duly elected, qualified and acting \_\_\_\_\_  
(Title of Person to Execute Installment Purchase Agreement)

of the City of Mercer Island ("Purchaser") does hereby certify, as of February 12, 2025, as follows:

1. Purchaser did, at a meeting of the governing body of the Purchaser, by resolution or ordinance duly enacted, in accordance with all requirements of law, approve and authorize the execution and delivery of the above-referenced Property Schedule (the "Property Schedule") and the Master Tax-Exempt Installment Purchase Agreement (the "Master Agreement") by the undersigned.

2. The meeting(s) of the governing body of the Purchaser at which the Master Agreement and the Property Schedule were approved and authorized to be executed was duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, and the enactment approving the Master Agreement and the Property Schedule and authorizing the execution thereof has not been altered or rescinded. All meetings of the governing body of Purchaser relating to the authorization and delivery of Master Agreement and the Property Schedule have been: (a) held within the geographic boundaries of the Purchaser; (b) open to the public, allowing all people to attend; (c) conducted in accordance with internal procedures of the governing body; and (d) conducted in accordance with the charter of the Purchaser, if any, and the laws of the State.

3. No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default or a Nonappropriation Event (as such terms are defined in the Master Agreement) exists at the date hereof with respect to this Property Schedule or any other Property Schedules under the Master Agreement.

4. The acquisition of all of the Property under the Property Schedule has been duly authorized by the governing body of Purchaser.

5. Purchaser has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Lease Payments scheduled to come due during the current budget year under the Property Schedule and to meet its other obligations for the current budget year and such funds have not been expended for other purposes.

6. As of the date hereof, no litigation is pending, (or, to my knowledge, threatened) against Purchaser in any court (a) seeking to restrain or enjoin the delivery of the Master Agreement or the Property Schedule or of other agreements similar to the Master Agreement; (b) questioning the authority of Purchaser to execute the Master Agreement or the Property Schedule, or the validity of the Master Agreement or the Property Schedule, or the payment of principal of or interest on, the Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Master Agreement and the Property Schedule; or (d) affecting the provisions made for the payment of or security for the Master Agreement and the Property Schedule.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of February 12, 2025.

City of Mercer Island

By \_\_\_\_\_  
Signature of Person to Execute Installment Purchase Agreement

\_\_\_\_\_  
Print Name and Title of Person to Execute Installment Purchase Agreement

**INCUMBENCY CERTIFICATE**

Re: **Property Schedule No. 1** dated as of February 12, 2025 to the Master Tax-Exempt Installment Purchase Agreement dated as of February 12, 2025 between Municipal Asset Management, Inc. and City of Mercer Island.

The undersigned, being the duly elected, qualified and acting Secretary or Clerk of the City of Mercer Island ("Purchaser") does hereby certify, as of February 12, 2025, as follows:

As of the date of the meeting(s) of the governing body of the Purchaser at which the above-referenced Master Agreement and the Property Schedule were approved and authorized to be executed, and as of the date hereof, the below-named representative of the Purchaser held and holds the office set forth below, and the signature set forth below is his/her true and correct signature.

\_\_\_\_\_  
(Signature of Person to Execute Installment Purchase Agreement)

\_\_\_\_\_  
(Print Name and Title)

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of February 12, 2025.

\_\_\_\_\_  
Secretary/Clerk

\_\_\_\_\_  
Print Name  
and Title:



EXHIBIT 4

Payment of Proceeds Instructions

Municipal Asset Management, Inc.  
25288 Foothills Drive North  
Golden, CO 80401

Re: Property Schedule No. 1 (the "Property Schedule") to Master Tax-Exempt Installment Purchase Agreement between Municipal Asset Management, Inc. ("Seller") and City of Mercer Island ("Purchaser").

Ladies and Gentlemen:

The undersigned, an Authorized Representative of the Purchaser hereby requests and authorizes Seller to disburse the net proceeds of the Property Schedule as follows:

Name of Payee:

By Check: \_\_\_\_\_

If by check, Payee's Address:

By Wire Transfer: \_\_\_\_\_

If by wire transfer, instructions as follows:

Pay to Bank Name:

Bank Address:

Bank Phone #:

For Account of:

Account No:

ABA No.:

**Purchaser: City of Mercer Island**

By:

Name:

Title:

**EXHIBIT 5**

**Acceptance Certificate**

Municipal Asset Management, Inc.  
25288 Foothills Drive North  
Golden, CO 80401

Re: **Property Schedule No. 1** to Master Tax-Exempt Installment Purchase Agreement between Municipal Asset Management, Inc. and City of Mercer Island

Ladies and Gentlemen:

In accordance with the above-referenced Master Tax-Exempt Installment Purchase Agreement (the "Master Agreement"), the undersigned ("Purchaser") hereby certifies and represents to, and agrees with, Municipal Asset Management, Inc. ("Seller"), as follows:

- (1) The Property, as such terms are defined in the above-referenced Property Schedule, has been acquired, made, delivered, installed and accepted on the date indicated below.
- (2) Purchaser has conducted such inspection and/or testing of the Property as it deems necessary and appropriate and hereby acknowledges that it accepts the Property for all purposes.
- (3) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default (as such term is defined in the Master Agreement) exists at the date hereof.

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

<b>Purchaser: City of Mercer Island</b>
By:
Name:
Title:

## EXHIBIT 6

### Bank Qualification And Arbitrage Rebate

Municipal Asset Management, Inc.  
25288 Foothills Drive North  
Golden, CO 80401

Re: **Property Schedule No. 1** to Master Tax-Exempt Installment Purchase Agreement between Municipal Asset Management, Inc. and City of Mercer Island

#### PLEASE CHECK EITHER:

##### **Bank Qualified Tax-Exempt Obligation under Section 265**

\_\_\_\_\_ Purchaser hereby designates this Property Schedule as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Code. Purchaser reasonably anticipates issuing tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds and including all tax-exempt obligations of subordinate entities of the Purchaser) during the calendar year in which the Commencement Date of this Property Schedule falls, in an amount not exceeding \$10,000,000.

or

\_\_\_\_\_ Not applicable.

##### **Arbitrage Rebate**

Eighteen Month Exception:

Pursuant to Treasury Regulations Section 1.148-7(d), the gross proceeds of this Property Schedule will be expended for the governmental purposes for which this Property Schedule was entered into, as follows: at least 15% within six months after the Commencement Date, at least 60% within 12 months after the Commencement Date, and 100% within 18 months after the Commencement Date. If Purchaser is unable to comply with Section 1.148-7(d) of the Treasury Regulations, Purchaser shall compute rebatable arbitrage on this Agreement and pay rebatable arbitrage to the United States at least once every five years, and within 60 days after payment of the final Lease Payment due under this Agreement.

***Consult tax counsel if there is any chance that the Eighteen Month Exception will not be met.***

<b>Purchaser: City of Mercer Island</b>
By:
Name:
Title:

\*Please be sure to select **ONE** option above.

## Notification of Tax Treatment to Master Tax-Exempt Installment Purchase Agreement

This **Notification of Tax Treatment** is pursuant to Property Schedule No. 1 to the Master Tax-Exempt Installment Purchase Agreement dated as of February 12, 2025 and the related Property Schedule, between Seller and Purchaser (the "Agreement").

- \_\_\_\_\_ Purchaser agrees that this Property Schedule SHOULD be subject to sales/use taxes
- \_\_\_\_\_ Purchaser agrees that this Property Schedule should NOT be subject to sales/use taxes and Purchaser has included our tax-exemption certificate with this document package
- \_\_\_\_\_ Purchaser agrees that this Property Schedule should NOT be subject to sales/use taxes and no tax-exemption certificate is issued to us by the State
- \_\_\_\_\_ Purchaser agrees that this Property Schedule is a taxable transaction and subject to any/all taxes
- \_\_\_\_\_ Purchaser agrees that this Property Schedule is subject to sales/use taxes and will pay those taxes directly to the State or Vendor

IN WITNESS WHEREOF, Purchaser has caused this Notification of Tax Treatment to be executed by their duly authorized representative.

<b>Purchaser: City of Mercer Island</b>
By:
Name:
Title:

**Information Return for Tax-Exempt Governmental Bonds**

► Under Internal Revenue Code section 149(e)

► See separate instructions.

**Caution:** If the issue price is under \$100,000, use Form 8038-GC.► Go to [www.irs.gov/F8038G](http://www.irs.gov/F8038G) for instructions and the latest information.

OMB No. 1545-0047

**Part I Reporting Authority**Check box if Amended Return ☐

<b>1</b> Issuer's name		<b>2</b> Issuer's employer identification number (EIN)
<b>3a</b> Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		<b>3b</b> Telephone number of other person shown on 3a
<b>4</b> Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	<b>5</b> Report number (For IRS Use Only) 3
<b>6</b> City, town, or post office, state, and ZIP code		<b>7</b> Date of issue
<b>8</b> Name of issue		<b>9</b> CUSIP number
<b>10a</b> Name and title of officer or other employee of the issuer whom the IRS may call for more information		<b>10b</b> Telephone number of officer or other employee shown on 10a

**Part II Type of Issue (Enter the issue price.)** See the instructions and attach schedule.

<b>11</b> Education . . . . .	<b>11</b>
<b>12</b> Health and hospital . . . . .	<b>12</b>
<b>13</b> Transportation . . . . .	<b>13</b>
<b>14</b> Public safety . . . . .	<b>14</b>
<b>15</b> Environment (including sewage bonds) . . . . .	<b>15</b>
<b>16</b> Housing . . . . .	<b>16</b>
<b>17</b> Utilities . . . . .	<b>17</b>
<b>18</b> Other. Describe ►	<b>18</b>
<b>19a</b> If bonds are TANs or RANs, check only box 19a . . . . .	<input type="checkbox"/>
<b>b</b> If bonds are BANs, check only box 19b . . . . .	<input type="checkbox"/>
<b>20</b> If bonds are in the form of a lease or installment sale, check box . . . . .	<input type="checkbox"/>

**Part III Description of Bonds.** Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
<b>21</b>		\$	\$	years	%

**Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)**

<b>22</b> Proceeds used for accrued interest . . . . .	<b>22</b>
<b>23</b> Issue price of entire issue (enter amount from line 21, column (b)) . . . . .	<b>23</b>
<b>24</b> Proceeds used for bond issuance costs (including underwriters' discount) . . . . .	<b>24</b>
<b>25</b> Proceeds used for credit enhancement . . . . .	<b>25</b>
<b>26</b> Proceeds allocated to reasonably required reserve or replacement fund . . . . .	<b>26</b>
<b>27</b> Proceeds used to refund prior tax-exempt bonds. Complete Part V . . . . .	<b>27</b>
<b>28</b> Proceeds used to refund prior taxable bonds. Complete Part V . . . . .	<b>28</b>
<b>29</b> Total (add lines 24 through 28) . . . . .	<b>29</b>
<b>30</b> Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here) . . . . .	<b>30</b>

**Part V Description of Refunded Bonds.** Complete this part only for refunding bonds.

<b>31</b> Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded . . . . .	►	years
<b>32</b> Enter the remaining weighted average maturity of the taxable bonds to be refunded . . . . .	►	years
<b>33</b> Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY) . . . . .	►	
<b>34</b> Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)		

**Part VI Miscellaneous**

<b>35</b>	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) . . . . .	<b>35</b>	
<b>36a</b>	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions . . . . .	<b>36a</b>	
<b>b</b>	Enter the final maturity date of the GIC ► (MM/DD/YYYY) _____		
<b>c</b>	Enter the name of the GIC provider ► _____		
<b>37</b>	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units . . . . .	<b>37</b>	
<b>38a</b>	If this issue is a loan made from the proceeds of another tax-exempt issue, check box ► <input type="checkbox"/> and enter the following information:		
<b>b</b>	Enter the date of the master pool bond ► (MM/DD/YYYY) _____		
<b>c</b>	Enter the EIN of the issuer of the master pool bond ► _____		
<b>d</b>	Enter the name of the issuer of the master pool bond ► _____		
<b>39</b>	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box . . . . .		<input type="checkbox"/>
<b>40</b>	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box . . . . .		<input type="checkbox"/>
<b>41a</b>	If the issuer has identified a hedge, check here ► <input type="checkbox"/> and enter the following information:		
<b>b</b>	Name of hedge provider ► _____		
<b>c</b>	Type of hedge ► _____		
<b>d</b>	Term of hedge ► _____		
<b>42</b>	If the issuer has superintegrated the hedge, check box . . . . .		<input type="checkbox"/>
<b>43</b>	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box . . . . .		<input type="checkbox"/>
<b>44</b>	If the issuer has established written procedures to monitor the requirements of section 148, check box . . . . .		<input type="checkbox"/>
<b>45a</b>	If some portion of the proceeds was used to reimburse expenditures, check here ► <input type="checkbox"/> and enter the amount of reimbursement . . . . . ► _____		
<b>b</b>	Enter the date the official intent was adopted ► (MM/DD/YYYY) _____		

**Signature and Consent**

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> Signature of issuer's authorized representative	<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> Date	<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> Type or print name and title
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**Paid Preparer Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ►	Firm's EIN ►			
Firm's address ►	Phone no.			

## INSURANCE AUTHORIZATION AND VERIFICATION

Date: February 12, 2025

Property Schedule No. 1

To: City of Mercer Island (the "Purchaser")

From: Municipal Asset Management, Inc. (the "Seller")  
25288 Foothills Drive North  
Golden, CO 80401

**TO THE PURCHASER:** In connection with the above-referenced Property Schedule, Seller requires proof in the form of this document, executed by both Purchaser\* and Purchaser's agent, that Purchaser's insurable interest in the financed property (the "Property") meets Seller's requirements as follows, with coverage including, but not limited to, fire, extended coverage, vandalism, and theft:

**Seller, AND ITS SUCCESSORS AND ASSIGNS, shall be covered as both ADDITIONAL INSURED and LENDER'S LOSS PAYEE with regard to all equipment financed or leased by policy holder through or from Seller. All such insurance shall contain a provision to the effect that such insurance shall not be canceled or modified without first giving written notice thereof to Seller and Purchaser at least thirty (30) days in advance of such cancellation or modification.**

**Purchaser must carry GENERAL LIABILITY (and/or, for vehicles, Automobile Liability) in the amount of no less than \$1,000,000.00 (one million dollars).**

**Purchaser must carry PROPERTY Insurance (or, for vehicles, Physical Damage Insurance) in an amount no less than the 'Insurable Value' \$1,968,029.31, with deductibles no more than \$25,000.00.**

*\*Purchaser: Please execute this form and return with your document package. Please fax this form to your insurance agency for endorsement. In lieu of agent endorsement, Purchaser's agency may submit insurance certificates demonstrating compliance with all requirements.*

**By signing, Purchaser authorizes the Agent named below: 1) to complete and return this form as indicated; and 2) to endorse the policy and subsequent renewals to reflect the required coverage as outlined above.**

Agency/Agent:		
Address:		
Phone/Fax:		
Email:		

<b>Purchaser: City of Mercer Island</b>
By:
Name:
Title:

**TO THE AGENT:** *In lieu of providing a certificate, please execute this form in the space below and promptly send a PDF scan to Seller at: [jtiemeyer@mamgt.com](mailto:jtiemeyer@mamgt.com) - This fully endorsed form shall serve as proof that Purchaser's insurance meets the above requirements.*

**Agent hereby verifies that the above requirements have been met in regard to the Property listed below.**

Print Name Of Agency: **X** \_\_\_\_\_

By: **X** \_\_\_\_\_  
(Agent's Signature)

Print Name: **X** \_\_\_\_\_

Date: **X** \_\_\_\_\_

**Insurable Value: \$1,968,029.31**

**ATTACHED: PROPERTY DESCRIPTION FOR PROPERTY SCHEDULE NO. 1**