CITY OF MERCER ISLAND
ORDINANCE NO. 26-12

AN ORDINANCE OF THE CITY OF MERCER ISLAND, WASHINGTON, RELATING TO THE PURCHASE AND FINANCING OF A FIRE APPARATUS; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Mercer Island, Washington ("City") has determined that it is advisable to purchase one Pierce Manufacturing, Inc. International Pumper fire apparatus to replace a City fire apparatus that is beyond its useful life; and

WHEREAS, the City's contracted fire and emergency medical services provider, Eastside Fire and Rescue, completed the specifications process, provided a recommendation to the City, and obtained a final bid at the lowest available price from Hughes Fire Equipment, Inc., the exclusive dealer for Pierce Manufacturing, Inc. in Washington State; and

WHEREAS, the City finds it in the best interest of the public to enter into a purchase agreement with Hughes Fire Equipment, Inc.; and

WHEREAS, pursuant to Ordinance No. 25-34 passed by the City Council on December 2, 2025, the City executed a Master Tax-Exempt Installment Purchase Agreement (the "Master Agreement") with Municipal Asset Management, Inc. to finance the acquisition of property from time to time subject to the terms of a related schedule; and

WHEREAS, the City now desires to execute and deliver a new Property Schedule to the Master Agreement to evidence financing under the terms of the Master Agreement, proceeds of which will be used to acquire a Pierce International Pumper fire apparatus;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. **Authorization of Documents Required to Purchase Fire Apparatus.** The City Manager or designee is hereby authorized to execute the following documents, substantially in the form of the drafts attached as Exhibits A and B to this ordinance, relating to the acquisition and financing of one Pierce International Pumper fire apparatus on behalf of the City: (1) Purchase Agreement with Hughes Fire Equipment, Inc. and associated exhibits; and (2) Property Schedule No. 2 to the Master Agreement with Municipal Asset Management, Inc. and associated exhibits, including but not limited to the associated Addendum. The City Manager or designee is hereby authorized and directed to take such steps, to do such other acts and things, and to execute such documents, letters, certificates, agreements, papers, financing statements, assignments or instruments as in their judgment may be necessary, appropriate or desirable, in order to carry out the terms and provisions of, and complete the transactions contemplated by this ordinance, including changes in the documents attached as Exhibits A and B that are determined to be in the best interest of the City of Mercer Island.

Section 2. **General Obligation.** The City's payment obligation under the documents referenced in Section 1 of this ordinance shall be a general obligation of the City payable from its regular property tax levy and other available funds of the City.

The City hereby irrevocably covenants and agrees for as long as such obligations are outstanding and unpaid that each year it will include in its budget and levy a regular property tax upon all the property within the City subject to taxation in an amount that will be sufficient, together with other revenues and money of the City legally available for such purposes, to pay the principal of and interest on such obligations when due. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of said regular taxes and for the prompt payment of the principal of and interest on the obligations when due.

Section 3. **Prior Acts.** All acts taken pursuant to the authority of this ordinance but prior to its effective date are hereby ratified and confirmed.

Section 4. **Severability.** If any section, sentence, clause or phrase of this ordinance or any municipal code section amended hereby should be held to be invalid or unconstitutional by a court of competent jurisdiction, or its application held inapplicable to any person, property, or circumstance, such invalidity or unconstitutionality shall not affect the validity of any other section, sentence, clause, or phrase of this ordinance of its application to any other person, property, or circumstance.

Section 5. **Effective Date.** This ordinance shall take effect five days after its passage, approval and publication as required by law.

PASSED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, AT ITS MEETING ON SEPTEMBER 15, 2026.

CITY OF MERCER ISLAND

____
Dave Rosenbaum, Mayor

APPROVED AS TO FORM:

____
Bio Park, City Attorney

ATTEST:

____
Andrea Larson, City Clerk

Date of Publication:

AGREEMENT BETWEEN CITY OF MERCER ISLAND, AND HUGHES FIRE EQUIPMENT, Inc. FOR THE PURCHASE OF ONE (1) PIERCE INTERNATIONAL PUMPER MC1180

THIS AGREEMENT is made and entered into by City of Mercer Island, a Washington Municipal corporation, with its principal offices at 3030 78th Ave SE, Mercer Island, Washington 98040, hereinafter "Customer"; Hughes Fire Equipment, Inc., with its principal offices at 910 Shelley St, Springfield, OR 97477. For the purposes of this Agreement, Hughes Fire Equipment, Inc. shall be referred to as "Vendor."

WITNESSETH: That in consideration of the payments, covenants, and agreements hereinafter mentioned, to be made or performed by the parties hereto, the parties covenant and agree to the following:

1. Term – Agreement

The term "Agreement" as used herein, shall constitute this document entitled "Agreement between City of Mercer Island, and Hughes Fire Equipment, Inc. for the Purchase of the One (1) Pierce International Pumper MC1180, and the following attachments which are incorporated by this reference:

a. Attachment A, entitled "Apparatus Specifications the Product," and

b. Attachment B, entitled "Preliminary Drawing", and

c. Attachment C, entitled "Hughes Fire Equipment Proposal," and

d. Attachment D, entitled "Pierce's Build Sheet."

2. Term – Product

This Agreement is for the purchase of One (1) Pierce International Pumper MC1180 (hereinafter referred to as the "Product"), which shall conform to the terms and conditions of this Agreement. All references to the purchased apparatus in this Agreement and its attachments shall be understood to mean the Product unless otherwise specified.

3. Scope of Work

Vendor agrees to build and deliver to the Customer Product that meets the specifications set forth in this Agreement and its various attachments.

The Customer promises and agrees with Vendor to engage Vendor to provide the Product as described in this Agreement and for Vendor to complete and finish the same according to the plans and specifications set forth in this Agreement and Attachments A, B, C, and D.

The parties agree that the Product will conform to all Federal Department of Transportation rules and regulations in effect at the time of signing of the Agreement, with all National Fire Protection Association guidelines for Automotive Fire Apparatus as published at the time of signing of this Agreement in effect at the time of signing of the Agreement.

4. Delivery and Risk of Loss

Vendor agrees the unit proposed will be ready for pick up from the factory in 14 to 19 months after contract execution. This does not include the time it will take to transport the unit to the local dealer, complete the pre-delivery inspection and other items to satisfy contract requirements, and transport it to the Customer location. The vendor further agrees to deliver to the Customer Product, free of defects, that conform to the specifications set forth in this Agreement within 420 to 570 calendar days from the date of signing of this Agreement, F.O.B. Mercer Island, Washington; provided, the risk of loss for any defect or damage to the Product shall remain with Vendor until the Product is accepted by the Customer.

Delivery Address:
Eastside Fire & Rescue Station 85
3600 Tolt Ave, Carnation, WA 98014

5. Time is of the Essence

The Customer and Vendor agree that time is of the essence in the performance of this Agreement.

6. Payment and Options

The total purchase price for the Product is $774,266.47, which includes $707,739.00 for the Product and $66,527.47 in applicable Washington state and motor vehicle taxes.

A 100% prepayment in the amount of $774,266.47 is due within 30 days of contract execution, an invoice will be provided. If payment is not made at this time $28,608.00, or a portion thereof, will be added to the final invoice. Final payment, including any changes made during the manufacturing process, will be due upon completion of the apparatus at the factory and prior to the apparatus leaving the factory for delivery.

Any price increase enacted by the suppliers of major components of the Product (including but not limited to engine, transmission, and fire pump as referenced in Attachment A) after the execution of the contract or purchase order shall be paid by the customer up to maximum of a 10% increase on the agreed purchase price. Any price increase on major components of the product will be documented on a Change Order and provided to the customer for approval prior to proceeding. The customer will have the option to cancel the order due to any price increase on major components of the product.

7. Preconstruction

Vendor shall provide and pay the expenses for travel by air, meals, and accommodations for five (5) representatives of the Customer to sit down with the Vendor's representatives at its facility to go over the specifications, so all parties have a clear understanding of the Customer's specifications.

8. Inspection

The Customer is entitled to inspect the Product at two (2) different stages. The inspections shall include:

(i) a final construction inspection prior to leaving the factory; and

(ii) a post-delivery final inspection.

With the exception of the post-delivery final inspection, the inspections shall occur at the Vendor's manufacturing site.

Vendor shall provide and pay the expenses for travel by air, meals, and accommodations for five (5) representatives of the Customer for the final construction inspection prior to leaving the factory. All deficiencies shall be corrected prior to the apparatus leaving the Vendor's facility.

There shall be a post-delivery final inspection conducted at the Customer's premises to ensure that the Product conforms to the terms of this Agreement and pass all inspections and tests as required by the Customer or other laws or regulations. The initial post-delivery inspection and testing shall be completed within thirty (30) days of delivery of the Product. In the event the Product fails to meet the tests as required by the Customer on first trials, second trials may be conducted by the Customer, at the sole option of the Customer, within thirty (30) days from the date of the first trials. Such trials shall be final and conclusive.

Vendor specifically agrees that its failure to afford the Customer the opportunity to inspect the Product pursuant to the terms of this Agreement shall be enough cause, in and of itself, for the rejection of the Product.

Notwithstanding any right of inspection, Vendor shall notify the Customer of any known or discoverable defects in the Product that exist on the date the Product is delivered or are later discovered by Vendor.

9. Acceptance

Acceptance of the Product shall occur after the Product pass post-delivery inspections and tests, which shall be completed within thirty (30) days after the Product is delivered to the Customer. The fact that the Customer uses the Product for the inspection and tests shall not constitute acceptance.

10. Rejection

The Customer reserves the right to inspect the Product for any defects, irregularities, non-conformities, and defects in workmanship and appearance, and to reject the nonconforming or defective Product. The Customer will notify Vendor of the rejection of the Product in writing. The Customer will also provide Vendor with a written description of the reason(s) for rejection. The Customer will hold the Product in its possession with reasonable care at Vendor's disposition for a time enough to permit Vendor to remove the Product. If Vendor gives no instructions within a reasonable time after notification of the rejection, the Customer will store the Product at Vendor's expense and such expense shall become a security interest in favor of the Customer. The parties understand that in the case of rejection, the Customer is not required to store the Product in an enclosed area.

11. Cure

If the Customer rejects the Product for a defect or non-conformity, Vendor shall have thirty (30) days to cure the defect; provided, Vendor provides the Customer written notice of Vendor's intent to cure the defect and assures the Customer that it is capable of curing such defect. The Customer shall notify Vendor in writing of its discovery of any defect within thirty (30) days of the actual discovery of the defect. The cure of the defect shall be at the sole expense of the Vendor, and Vendor shall cover all costs of such cure. In the event the cure requires that the Product to be transported beyond the limits of the State of Washington, Vendor shall, in addition to covering all costs of such cure, pay to the Customer $0.725 per mile that the Product is driven to cover the wear and tear on the Product.

Unless otherwise agreed to in a separate writing signed by the parties, Vendor shall have one opportunity to cure each defect for which it has been placed on notice or which Vendor discovers. Any agreement to cure defects of the Product shall not constitute a settlement of claims brought pursuant to the terms of this Agreement.

If, at any time after acceptance, Vendor discovers a defect, Vendor shall, within four (4) days of discovery, notify the Customer of such defects in writing and shall cure such defects pursuant to the Warranties provided and Section 12 herein.

12. Warranty

Vendor warrants and guarantees that the Product will be manufactured in accordance with the specifications set forth in this Agreement. Unless a longer warranty is provided by Pierce or per the specifications, Pierce Manufacturing ("Pierce") warrants to the Buyer that the portions of its Fire and Rescue Apparatus vehicle that are manufactured by Pierce shall be free from all defects in material and workmanship for a warranty period of one (1) year after the date of acceptance of the vehicle to the Buyer, unless a longer warranty is mutually agreed upon by both parties, which shall commence when the vehicle is either placed into service, or sixty (60) days from the date of delivery, whichever shall occur first. The warranty certificates provided will become part of this contract.

The implied warranties of merchantability and fitness for a particular purpose, as set forth in sections 62A.2-314 and -315 of the Revised Code of Washington, shall apply to the Product. These implied warranties shall apply even though they may be disclaimed in an attachment to this Agreement or other documents supplied by the Vendor, such that this section shall prevail over such disclaimer, and such disclaimer shall not apply. The inspection of or failure to inspect the Product shall not constitute a waiver or cancellation of the implied warranties.

All additional or separate warranties associated with any part, component, attachment, or accessory that is incorporated into or attached to the Product shall, regardless of length of said warranty, be for the benefit of the Customer and passed on to the Customer, and vendor shall take all steps necessary to ensure that all such warranties are activated and in effect when the vehicle is delivered. If the Product or any component, unit, or subsystem is repaired, rebuilt, or replaced pursuant to this Agreement, such warranty work, component, unit, or subsystem shall have the remaining unexpired warranty of the Product, the original component, unit, or subsystem.

Vendor shall provide all paperwork relating to warranty coverage of the Product or their components to the Customer upon delivery of the Product.

The warranty period will begin sixty (60) days after the Product leaves the factory for delivery or when the Product is placed in service, whichever is sooner.

In the event a component manufacturer requires that the purchaser register its purchase with the manufacturer to make effective a component manufacturer’s warranty, Vendor shall take all steps necessary to register such purchase with the component manufacturer. In the event Vendor fails to properly register the Customer’s purchase with the component manufacturer, then Vendor shall assume the status of warrantor of such component as if such registration had occurred. The Customer's failure to discover any defect during any inspection or at any other time shall not constitute a waiver of the warranty applicable to such defect.

13. Performance Bond

Vendor shall provide and execute a performance bond for the full contract amount.

This performance bond shall:

(1) Be signed by an approved surety (or sureties) that:

a. Is registered with the Washington State Insurance Commissioner, and

b. Appears on the current authorized Insurance List for the State of Washington published by the Office of the Washington Insurance Commissioner.

(2) Be conditioned on and guarantee the faithful performance of the contract by Vendor within the prescribed time.

(3) Guarantee that the surety shall indemnify, defend, and protect the Customer against any claim of direct or indirect loss resulting from the failure:

a. Of Vendor (or any of the employees, sub-contractors, volunteer sub-contractors of Vendor) to faithfully perform the contract, and

b. Of Vendor (or the sub-contractors) to pay all laborers, mechanics, subcontractors, volunteers, material person, or any other person who provides supplies or provisions for carrying out the work.

(4) The Customer may require the surety companies on the Performance Bond to appear and qualify themselves. When the Customer deems the surety or sureties to be inadequate, it may, upon written demand, require Vendor to furnish additional surety to cover any remaining work. Until the added surety is furnished, payments on the contract will stop.

(5) The parties agree that no liability shall attach to the Customer by reason of entering into this Agreement except as expressly provided herein.

(6) Notwithstanding any document or assertion to the contrary, any surety bond related to the sale of a vehicle will apply only to the Basic Limited Warranty for such Vehicle. Any surety bond related to the sale of a vehicle will not apply to any other warranties that are included with this bid (OEM or otherwise) or to the warranties (if any) of any third party of any part, component, attachment, or accessory that is incorporated into or attached to the vehicle. In the event of any contradiction or inconsistency between this provision and any other document or assertion, this provision will prevail.

(7) Due to global supply chain constraints, any delivery date contained herein is a good faith estimate as of the date of this order/contract, and merely an approximation based on current information. Delivery updates will be made available, and a final firm delivery date will be provided as soon as possible.

(8) If the Producer Price Index of Components for Manufacturing [www.bls.gov Series ID: WPUID6112] ("PPI") has increased at a compounded annual growth rate of 5.0% or more between the month Pierce accepts our order ("Order Month") and a month 14 months prior to the then predicted Ready For Pickup date ("Evaluation Month"), then pricing may be updated in an amount equal to the increase in PPI over 5.0% for each year or fractional year between the Order Month and the Evaluation Month. The seller will document any such updated price for the customer's approval before proceeding and provide an option to cancel the order.

14. Independent Contractor

The parties intend that an Independent Contractor-Employer Relationship will be created by this Agreement. By their execution of this Agreement, and in accordance with Ch. 51.08 RCW, the parties make the following representations:

A. The Vendor has the ability to control and direct the performance and details of its work, the Customer being interested only in the results obtained under this Agreement.

B. The Vendor maintains and pays for its own place of business from which Vendor's services under this Agreement will be performed.

C. The Vendor has an established and independent business that is eligible for a business deduction for federal income tax purposes that existed before the Customer retained Vendor's services, or the Vendor is engaged in an independently established trade, occupation, profession, or business of the same nature as that involved under this Agreement.

D. The Vendor is responsible for filing as they become due all necessary tax documents with appropriate federal and state agencies, including the Internal Revenue Service and the state Department of Revenue.

E. The Vendor has registered its business and established an account with the state Department of Revenue and other state agencies as may be required by Vendor's business, and has obtained a Unified Business Identifier (UBI) number from the State of Washington.

F. The Vendor maintains a set of books dedicated to the expenses and earnings of its business.

15. Non-Assignment

Vendor shall not assign this Agreement nor any part thereof, nor any monies due or to become due thereunder, without the prior written approval of the Customer. Vendor shall not sublet any part of this Agreement without first having obtained the written consent of the Customer to do so. In case such consent to sublet any part of this agreement is given by the customer, it shall in no way release vendor from any responsibility under this agreement, and vendor shall be held in all respects accountable as if no consent has been given. Vendor will be required to give personal attention to the work that is sublet.

16. Indemnification

Vendor shall defend, indemnify, and hold the Customer, it's officers, officials, employees, agents and volunteers harmless from injury and all claims, injuries, damages, losses, and suits including all legal costs and attorney fees arising out of or in connection with the Vendor's negligent performance of this Agreement except for injuries and damages resulting from the sole negligence of the Customer. The Customer's inspection or acceptance of the Product when completed will not be grounds to avoid any of these covenants of indemnification. The provisions of this section shall survive the expiration or termination of this Agreement. The Customer shall: (1) promptly notify Vendor of any claim for which indemnification may be sought; (2) cooperate fully in the defense of such claim; and (3) permit Vendor to settle or compromise such claim on terms and conditions which, in good faith, it determines are appropriate.

17. Insurance

<u>INSURANCE PROVIDED BY Vendor</u>

COMMERCIAL GENERAL LIABILITY INSURANCE
The Vendor will, during the performance of the contract and for three (3) years following acceptance of the product, keep in force at least the following minimum limits of commercial general liability insurance:

Each Occurrence: $1,000,000

Products/Completed Operations Aggregate: $1,000,000

Personal and Advertising Injury: $1,000,000

General Aggregate: $2,000,000

Coverage will be written on a Commercial General Liability form. The policy will be written on an occurrence form and will include Contractual Liability coverage for bodily injury and property damage subject to the terms and conditions of the policy. The policy will include Owner as an additional insured when required by written contract.

COMMERCIAL AUTOMOBILE LIABILITY INSURANCE
The Vendor will, during the performance of the contract, keep in force at least the following minimum limits of commercial automobile liability insurance and coverage will be written on a Commercial Automobile liability form:

Each Accident Combined Single Limit: $1,000,000

UMBRELLA/EXCESS LIABILITY INSURANCE
The Vendor will, during the performance of the contract and for three (3) years following acceptance of the product, keep in force at least the following minimum limits of umbrella liability insurance:

Aggregate: $3,000,000

Each Occurrence: $3,000,000

The umbrella policy will be written on an occurrence basis and at a minimum provide excess to the Vendor’s General Liability and Automobile Liability policies.

The required limits can be provided by one (1) or more policies provided all other insurance requirements are met.

Coverage will be provided by a carrier(s) rated A- or better by A.M. Best.

All policies will provide a 30-day notice of cancellation to the named insured. The Certificate of Insurance will provide the following cancellation clause: Should any of the above described polices be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.

Vendor agrees to furnish owner with a current Certificate of Insurance with the coverages listed above along with the bid. The certificate will show the purchaser as certificate holder.

INSURANCE PROVIDED BY MANUFACTURER

PRODUCT LIABILITY INSURANCE

The manufacturer will, during the performance of the contract and for three (3) years following acceptance of the product, keep in force at least the following minimum limits of Product Liability insurance:

Each Occurrence: $1,000,000

Products/Completed Operations Aggregate: $1,000,000

Coverage will be written on a Commercial General Liability form. The policy will be written on an occurrence form. The manufacturer's policy will include the owner as additional insured when required by written contract between the Owner and a Pierce authorized dealer.

UMBRELLA/EXCESS LIABILITY INSURANCE

The manufacturer will, during the performance of the contract and for three (3) years following acceptance of the product, keep in force at least the following minimum limits of umbrella liability insurance:

Each Occurrence: $25,000,000

Aggregate: $25,000,000

The umbrella policy will be written on an occurrence basis and provide excess to the manufacturer's General Liability/Products policies.

The required limits can be provided by one (1) or more policies provided all other insurance requirements are met.

Coverage will be provided by a carrier(s) rated A- or better by A.M. Best.

All policies will provide a 30-day notice of cancellation to the named insured. The Certificate of Insurance will provide the following cancellation clause: Should any of the above described polices be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.

Manufacturer agrees to furnish owner with a current Certificate of Insurance with the coverages listed above along with the bid. The certificate will show the purchaser as the certificate holder.

18. Discrimination

In the hiring of employees for the performance of work under this Agreement or any sub-contract hereunder, Vendor, its sub-contractors, or any person acting on behalf of Vendor or its sub-contractor shall not, by reason of race, religion, color, sex, national origin, or the presence of any sensory, mental, or physical disability, discriminate against any person who is qualified and available to perform the work to which the employment relates.

19. Severability

If any term, provision, condition, or other portion of this Agreement, or its application to any person is held to be inoperative, invalid, or void, than the same shall not affect any other term, provision, condition, or any other portion of this Agreement or its application to any person.

20. Cumulation of Remedies

All remedies available to either party for breach of this Agreement are cumulative and may be exercised concurrently or separately, and the exercise of any one remedy shall not be deemed an election of such remedy to the exclusion of other remedies.

21. Non-Waiver of Breach

No term or provision hereof shall be deemed waived and no breach consented to unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party, or waiver of, the breach of the other whether expressed or implied shall not constitute a continuing waiver of or consent to, nor excuse a different or subsequent breach. The failure of the Customer to enforce one portion of this Agreement shall not constitute a waiver, or excuse the breach, of another portion of this Agreement.

22. Authority

Each party has full power and authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement. Each party further acknowledges that it has read this Agreement and understands and agrees to be bound by its terms.

23. Choice of Law

This Agreement shall be exclusively governed and controlled by the laws of the State of Washington, including, but not limited to, the State's Uniform Commercial Code as contained in Chapter 62A.2 RCW. To the extent that this Agreement conflicts with the provisions of Chapter 62A.2 RCW, the terms of this Agreement shall control. Jurisdiction and venue for any action relating to this Agreement shall exclusively be in the Superior Court for King County, Washington.

24. Termination

This Agreement may be terminated in whole or in part:

(a) By the Customer if Vendor fails to deliver the Product within thirty (30) days after the time for delivery specified in this Agreement or after thirty (30) days for a cure of any defect or non-conformity. The Customer shall notify Vendor of the termination, the reasons thereof, and the effective date. The Customer will receive a full refund.

(b) (b) By the mutual written agreement between Customer and Vendor. The Agreement to terminate shall include the conditions of termination, the effective date, and in the case of termination in part, the portion to be terminated.

(c) In the event this Agreement is cancelled or terminated by the Customer before completion, Vendor may charge a cancellation fee. The following charge schedule based on costs incurred may be applied:

(a) 10% of the Purchase Price after order is accepted and entered by Vendor;
(b) 20% of the Purchase Price after completion of approval drawings, and;
(c) 30% of the Purchase Price upon any material requisition.

The cancellation fee will increase accordingly as costs are incurred as the order progresses through engineering and into manufacturing. Vendor endeavors to mitigate any such costs through the sale of such Product to another purchaser; however, Customer shall remain liable for the difference between the Purchase Price and, if applicable, the sale price obtained by Vendor upon sale of the Product to another purchaser, plus any costs incurred by Vendor to conduct any such sale.

After the effective date of termination, no charges incurred under this Agreement, or terminated portions thereof, are allowable.

25. Force Majeure

Neither Party shall be responsible nor deemed to be in default on account of delays in performance due to causes which are beyond the Party's control which make the Party's performance impracticable, including but not limited to civil wars, insurrections, strikes, riots, fires, storms, floods, other acts of nature, explosions, earthquakes, accidents, any act of government, delays in transportation, inability to obtain necessary labor supplies or manufacturing facilities, allocation regulations or orders affecting materials, equipment, facilities or completed products, failure to obtain any required license or certificates, acts of God or the public enemy or terrorism, failure of transportation, epidemics, pandemics, quarantine restrictions, failure of vendors (due to causes similar to those within the scope of this clause) to perform their contracts or labor troubles causing cessation, slowdown, or interruption of work.

26. Notice to Proceed

Vendor shall commence all work immediately upon execution of the Agreement and shall provide a performance bond, a copy of an insurance certificate(s), and a copy of the Equal Employment Opportunity Policy Declaration.

27. Sales Tax

The Customer shall be responsible for paying Washington State Sales Tax and motor vehicle tax on the contract amount at a rate that is current when and where the unit is purchased. Sales tax collected by Vendor will be subject to WAC 458-20-145, Special Rule No. I. The sales tax rate is calculated at 9.4% based on the delivery location of Carnation, WA.

28. Ownership and Title

Upon acceptance of the Product and payment by the Customer pursuant to this Agreement, ownership, and title of the Product shall pass to the Customer.

29. Modification

This Agreement may only be amended or modified by the mutual written agreement of the parties. All amendments or modifications shall be signed by both parties and be attached to this Agreement.

30. Standard of Performance

All work to be performed by Vendor shall be performed in a workman-like manner in accordance with generally accepted professional practices in effect at the time such work is performed.

31. Notices

Any notices to be delivered shall be directed to the attention of the following:

NOTICES TO BE SENT TO:

HUGHES FIRE EQUIPMENT:

Attn: Matt Chambers, Sales Rep.
Sheri Taylor, Sales Manager
Dani Turrubiates, Contract Admin.
Hughes Fire Equipment
910 Shelley Street
Springfield, Oregon 97477

(541) 747-0072 (telephone)
(541) 747-0073 (facsimile)
(206) 953-9505 (Matt's Cell)

NOTICES TO BE SENT TO:

CITY OF MERCER ISLAND:

Attn: Jessi Bon, City Manager

CITY OF MERCER ISLAND
9611 SE 36th St
Mercer Island, WA, 98040
(206) 275-7600 (telephone)

NOTICES TO BE SENT TO:

PIERCE MANUFACTURING Inc:

Attn: _________________
Pierce Manufacturing
2600 American Drive
Appleton, Wisconsin 54914

(920) 832-3000 (telephone)
(920) 832-3080 (facsimile)

32. Entire Agreement

This Agreement constitutes the entire agreement between the Customer and Vendor. With the exception of properly executed written modifications, representations, either written or oral, that do not conform to the "modification" section of this Agreement, shall not be considered part of this Agreement.

33. Conflict of Terms

The terms of this Agreement, including the Attachments, shall be read together. Unless otherwise specified in this Agreement, in the event that any of the terms of the Agreement including the Attachments conflict with each other, the following shall be the order of precedence:

(a) The terms of this Document entitled "Agreement between City of Mercer Island, and Hughes Fire Equipment, Inc., for the Purchase of One (1) Pierce International Pumper MC1180 ," shall take precedence over the terms of any other portion of this Agreement.

(b) Attachment A entitled "Apparatus Specifications the Product," shall take precedence over Attachments B, C, & D.

(c) Attachment B entitled "Drawings," shall take precedence over Attachment C entitled "Hughes Fire Equipment, Inc. specifications for the Product," and Attachment D entitled "Pierce Manufacturing Build Sheet".

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year written below. If the dates written below do not coincide, the latest written date shall act as the effective date of this Agreement.

Hughes Fire Equipment Inc

By: ______________________
(signature)

Print Name: Rex Hughes
Its President
(title)

DATE: ______________________

CITY OF MERCER ISLAND:

By: ______________________
(signature)

Print Name: Jessi Bon
Its City Manager
(title)

DATE: ______________________

MUNICIPAL ASSET MANAGEMENT, INC.

August 17, 2026

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

Re: Property Schedule 02 to 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. 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

25288 FOOTHILLS DRIVE NORTH • GOLDEN COLORADO • 80401

Phone: 303-273-9496 • EMAIL: JTIEMEYER@MAMGT.COM

ADDENDUM (WASHINGTON)
Master Tax-Exempt Installment Purchase Agreement

THIS ADDENDUM, which is entered into as of September 29, 2026 between Municipal Asset Management, Inc. ("Seller") and City of Mercer Island ("Purchaser"), is intended to modify and supplement Property Schedule No. 2 (the "Property Schedule") to the Master Tax-Exempt Installment Purchase Agreement between Seller and Purchaser dated as of January 9, 2026 (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.

Seller: Municipal Asset Management, Inc.	**Purchaser: City of Mercer Island**
By:	By:
Name:	Name:
Title:	Title:

Attest: By
Name:
Title:

Property Schedule No. 2

Master Tax-Exempt Installment Purchase Agreement

This **Property Schedule No. 2** 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 January 9, 2026, 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 September 29, 2026.

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 October 15, 2026.

(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.

Seller: Municipal Asset Management, Inc.
By:
Name:
Title:

Purchaser: City of Mercer Island
By:
Name:
Title:

Attest: By
Name:
Title:

EXHIBIT 1

Property Description and Payment Schedule

Re: **Property Schedule No. 2** 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 Truck - 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: $774,266.47

Payment No.	Due Date	Installment Payment	Principal Portion	Interest Portion	Termination Amount (After Making Payment for said Due Date)
1	9/29/2027	108,786.13	70,305.09	38,481.04	NA
2	9/29/2028	108,786.13	73,799.25	34,986.88	649,066.99
3	9/29/2029	108,786.13	77,467.08	31,319.05	569,275.90
4	9/29/2030	108,786.13	81,317.19	27,468.94	485,519.20
5	9/29/2031	108,786.13	85,358.65	23,427.48	397,599.78
6	9/29/2032	108,786.13	89,600.98	19,185.15	302,346.60
7	9/29/2033	108,786.13	94,054.15	14,731.98	206,411.37
8	9/29/2034	108,786.13	98,728.64	10,057.49	105,708.16
9	9/29/2035	108,786.13	103,635.44	5,150.69	0.00
TOTAL		**979,075.17**	**774,266.47**	**204,808.70**	

Interest Rate: 4.97%

Purchaser: City of Mercer Island
By:
Name:
Title:

EXHIBIT A

Property Description

Fire Truck

VIN # To Be Determined

EXHIBIT 2

Purchaser's Counsel's Opinion

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

September 29, 2026

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. 2 dated as of September 29, 2026 to Master Tax-Exempt Installment Purchase Agreement dated as of January 9, 2026 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 January 9, 2026 (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. 2 (the "Property Schedule") dated as of September 29, 2026, 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. 2** dated as of September 29, 2026 to the Master Tax-Exempt Installment Purchase Agreement dated January 9, 2026 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 September 29, 2026, 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 (as such term 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 September 29, 2026.

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. 2** dated as of September 29, 2026 to the Master Tax-Exempt Installment Purchase Agreement dated as of January 9, 2026 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 September 29, 2026, 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 September 29, 2026.

____

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. 2 (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: _____ By Wire Transfer: _____

If by check, Payee's Address: ______________________________

____

____

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. 2** 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: ________________________________

Purchaser: City of Mercer Island
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. 2** 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.

Purchaser: City of Mercer Island
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. 2 to the Master Tax-Exempt Installment Purchase Agreement dated as of January 9, 2026 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.

Purchaser: City of Mercer Island
By:
Name:
Title:

Form **8038-G** (Rev. October 2021) Department of the Treasury Internal Revenue Service

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* for instructions and the latest information.

OMB No. 1545-0047

Part I Reporting Authority

Check box if **Amended Return** ▶ ☐

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

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

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
21		$	$	years	%

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

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

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

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

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 63773S Form **8038-G** (Rev. 10-2021)

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions	36a	
b	Enter the final maturity date of the GIC ▶ (MM/DD/YYYY) ________		
c	Enter the name of the GIC provider ▶ ________		
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	

38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the following information:

b Enter the date of the master pool bond ▶ (MM/DD/YYYY) ________

c Enter the EIN of the issuer of the master pool bond ▶ ________

d Enter the name of the issuer of the master pool bond ▶ ________

39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☐

40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐

41a If the issuer has identified a hedge, check here ▶ ☐ and enter the following information:

b Name of hedge provider ▶ ________

c Type of hedge ▶ ________

d Term of hedge ▶ ________

42 If the issuer has superintegrated the hedge, check box ▶ ☐

43 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 ▶ ☐

44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶ ☐

45a If some portion of the proceeds was used to reimburse expenditures, check here ▶ ☐ and enter the amount of reimbursement ▶ ________

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.

Signature of issuer's authorized representative	Date	Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

INSURANCE AUTHORIZATION AND VERIFICATION

Date: September 29, 2026 **Property Schedule No. 2**

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' $774,266.47, 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:		

Purchaser: City of Mercer Island
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: EFGLFDOCS@usbank.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: $774,266.47

ATTACHED: PROPERTY DESCRIPTION FOR PROPERTY SCHEDULE NO. 2