



Brian Van Bergen  
Yamhill County Clerk

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Board of Property Tax Appeals • Business Licenses • Elections • Marriage Licenses • Passports • Recording • Voter Registration

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**Memorandum**

To: Yamhill County Board of Commissioners  
From: Brian Van Bergen, Yamhill County Clerk  
CC: Laura Tschabold, Ken Huffer, Keri Hinton, Crystal Cox, Christian Boenisch  
Date: October 4, 2017  
RE: Copytronix copier lease agreement with US Bank

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Please consider approving the attached "Tax-Exempt Lease/Purchase Agreement" (copier equipment lease) between US Bank (Equipment Lessor for Copytronix) and the Yamhill County Clerk's office for a term of 36 months at the rate of \$337.82 per month.

Yamhill County Counsel (Christian Boenisch) has reviewed the contract and the contract awaits the Board of Commissioners' approval.

Please find attached a copy of the "Tax-Exempt Lease/Purchase Agreement" from US Bank.

**Context:** This lease is for the main production copier in our office and will be replacing our current device and accompanying contract. The contract (including the value of this lease) was approved by the Board via BO #17-332.

Please consider ratifying this contract for our office.

Sincerely,

Brian Van Bergen  
Yamhill County Clerk



EQUIPMENT FINANCE

# Tax-Exempt Lease/Purchase Agreement

APPLICATION NO.

2273506

<b>ACCEPTED BY LESSOR:</b>			
FULL LEGAL NAME <b>U.S. Bank Equipment Finance, a division of U.S. Bank National Association ("U.S. Bank Equipment Finance")</b>			
STREET ADDRESS 1310 Madrid Street, Suite 101			
CITY Marshall	STATE MN	ZIP 56258	
SIGNATURE		DATE	
PRINT NAME			
TITLE		TELEPHONE NUMBER 800-328-5371	

<b>AGREED TO BY LESSEE:</b>			
FULL LEGAL NAME YAMHILL COUNTY OF			
STREET ADDRESS 414 NE EVANS STREET			
CITY MCMINNVILLE	STATE OR	ZIP 97128	
SIGNATURE 		DATE 10.12.17	
PRINT NAME BRIAN VAN BERGEN			
TITLE COUNTY CLERK		TELEPHONE NUMBER 503-434-7518	

**AGREEMENT:** Lessor hereby leases to Lessee and Lessee hereby leases from Lessor all the Property described in Property Schedule incorporated herein by reference, upon the terms and conditions set forth herein and as supplemented by the terms and conditions set forth in the Property Schedule. This Tax-Exempt Lease/Purchase Agreement together with the Property Schedule shall be defined as the "Agreement."

**LEASE TERM:** The Lease Term of the Property listed in the Property Schedule shall commence upon the commencement date of the Property Schedule and continue for the time period set forth in the Property Schedule. This Agreement cannot be canceled or terminated by Lessee except as expressly provided herein. This Agreement is a triple net lease.

**LEASE PAYMENTS:** Lessee shall pay rent to Lessor for the Property in the amounts, and on the dates specified, in the Property Schedule. Lessor and Lessee intend that the obligation of Lessee to pay Lease Payments hereunder shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or monies of Lessee.

**NO OFFSET:** SUBJECT TO THE RIGHT TO NON-APPROPRIATE, SET FORTH BELOW, THE OBLIGATIONS OF LESSEE TO PAY THE LEASE PAYMENTS DUE UNDER THE PROPERTY SCHEDULE AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED IN THIS AGREEMENT 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 LESSEE'S RIGHTS OR ACTIONS AGAINST ANY VENDOR. Lessee shall pay when due all taxes, fees and governmental charges assessed or levied against or with respect to the Property.

**LATE CHARGES:** Lessee shall pay a late charge of five cents per dollar or the highest amount permitted by applicable law, whichever is lower, on all delinquent Lease 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.

**MAINTENANCE OF PROPERTY:** At all times during the Lease Term, Lessee shall, at Lessee's own cost and expense, maintain, preserve, and keep the Property in good working order, and condition, and from time to time make or cause to be made all necessary and proper repairs, replacements, and renewals to the Property, which shall become part of the Property. The Property is and will remain personal property.

**INSURANCE OF PROPERTY:** All risk of loss to the Property shall be borne by the Lessee. At all times during the Lease Term, Lessee shall, at Lessee's own cost and expense, cause casualty, public liability, and property damage insurance to be carried and maintained (or shall provide Lessor with a certificate stating that adequate self-insurance has been provided) with respect to the Property, sufficient to protect the full replacement value of the Property and to protect from liability in all events for which insurance is customarily available. Lessee shall furnish to Lessor certificates evidencing such coverage throughout the Lease Term. Any insurance policy to be carried and maintained pursuant to this Agreement shall be so written or endorsed as to make losses, if any, payable to Lessee and Lessor as their respective interests may appear. All such liability insurance shall name Lessor as an additional insured. Each insurance policy carried and maintained pursuant to this Agreement shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially or adversely to the interest of the Lessor without first giving written notice thereof to Lessor at least 30 days in advance of such change of status.

**QUIET ENJOYMENT AND TERMINATION OF LESSOR'S INTEREST:** To secure Lessee's obligations hereunder, Lessor is granted a security interest in the Property, including substitutions, repairs, replacements and renewals, and the proceeds thereof, which is a first lien thereon. Lessee hereby authorizes Lessor to file all financing statements which Lessor deems necessary or appropriate to establish, maintain and perfect such security interest. Provided there does not exist an Event of Default as defined herein, the Lessee shall have the right of quiet enjoyment of the Property throughout the Lease Term. If Lessee shall have performed all of its obligations and no default shall have occurred and be continuing under this Agreement, and this Agreement shall not have been earlier terminated with respect to the Property, then, at the end of the Lease Term with respect to any item of Property, Lessor's interest in such Property shall terminate. Unless otherwise required by law, title to the Property shall be in the name of Lessee, subject to Lessor's interest hereunder.

**TAX EXEMPTION:** The parties contemplate that interest payable under this Agreement will be excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). The tax-exempt status of this Agreement provides the inducement for the Lessor to offer financing at the interest rate set forth herein. Therefore, should this Agreement be deemed by any taxing authority not to be exempt from taxation, Lessee agrees that the interest rate shall be adjusted, as of the date of loss of tax exemption, to an interest rate calculated to provide Lessor or its assignee an after tax yield equivalent to the tax exempt rate and Lessor shall notify Lessee of the taxable rate. Provided, however, that the provision of the preceding sentence shall apply only upon a final determination that the interest payments are not excludable from gross income under Section 103(a) of the Code, and shall not apply if the determination is based upon the individual tax circumstances of the Lessor, or a finding that the party seeking to exclude such payments from gross income is not the owner and holder of the obligation under the Code.

**REPRESENTATIONS AND WARRANTIES OF LESSEE:** Lessee hereby represents and warrants to Lessor that: (a) Lessee is a State, possession of the United States, the District of Columbia, or political subdivision thereof as defined in Section 103 of the Code and Treasury Regulations and Rulings related thereto, and if Lessee is incorporated, it is duly organized and existing under the Constitution and laws of its jurisdiction of incorporation and will do or cause to be done all things necessary to preserve and keep such organization and existence in full force and effect; (b) Lessee has been duly authorized by the Constitution and laws of the applicable jurisdiction and by a resolution of its governing body (which resolution, if requested by Lessor, is attached hereto), to execute and deliver this Agreement and to carry out its obligations hereunder; (c) all legal requirements have been met, and procedures have been followed, including public bidding, in order to ensure the enforceability of this Agreement; (d) the Property will be used by Lessee only for essential governmental or proprietary functions of Lessee consistent with the scope of Lessee's authority and will not be used in a trade or business of any person or entity, by the federal government or for any personal, family or household use. Lessee's need for the Property is not expected to diminish during the term of the Agreement; (e) Lessee has funds available to pay Lease Payments until the end of its current appropriation period, and it intends to request funds to make Lease Payments in each appropriation period, from now until the end of the term of this Agreement; (f) Lessee shall comply at all times with all applicable requirements of the Code, including but not limited to the registration and reporting requirements of Section 149, to maintain the federal tax-exempt status of the Agreement, and

Lessee shall maintain a system with respect to this Agreement, which tracks the name, and ownership interest of each assignee who has both the responsibility for administration of, and ownership interest in this Agreement; (g) Lessee's exact legal name is as set forth on the first page of this Agreement. Lessee will not change its legal name in any respect without giving thirty (30) days prior written notice to Lessor.

**RISK OF LOSS COVENANTS:** Lessee shall not be required to indemnify or hold Lessor harmless against liabilities arising from the Agreement. However, as between Lessor and Lessee, and to the extent permitted by law, Lessee shall bear the risk of loss for, shall pay directly, and shall defend against any and all claims, liabilities, proceedings, actions, expenses, damages or losses arising under or related to the Property, including, but not limited to, the possession, ownership, lease, use or operation thereof, except that Lessee shall not bear the risk of loss of, nor pay for, any claims, liabilities, proceedings, actions, expenses, damages or losses that arise directly from events occurring after Lessee has surrendered possession of the Property in accordance with the terms of the Agreement to Lessor or that arise directly from the gross negligence or willful misconduct of the Lessor.

**NON-APPROPRIATION:** If sufficient funds are not appropriated to make Lease Payments under this Agreement, this Agreement shall terminate and Lessee shall not be obligated to make Lease Payments under this Agreement beyond the then current fiscal year for which funds have been appropriated. Upon such an event, Lessee shall, no later than the end of the fiscal year for which Lease Payments have been appropriated, deliver possession of the Property to Lessor. If Lessee fails to deliver possession of the Property to Lessor, the termination shall nevertheless be effective but Lessee shall be responsible for the payment of damages in an amount equal to the portion of Lease Payments thereafter coming due that is attributable to the number of days after the termination during which the Lessee fails to deliver possession and for any other loss suffered by Lessor as a result of Lessee's failure to deliver possession as required. Lessee shall notify Lessor in writing within seven (7) days after the failure of the Lessee to appropriate funds sufficient for the payment of the Lease Payments, but failure to provide such notice shall not operate to extend the Lease Term or result in any liability to Lessee.

**GROSS-UP:** If an Event of Taxability occurs with respect to a Property Schedule, the interest component of Lease Payments on the Property Schedule shall thereafter be payable at the Taxable Rate, and Lessee shall pay to Lessor promptly following demand an amount sufficient to supplement prior Lease Payments on such Property Schedule so that Lessor receives the interest component of such Lease Payments, retroactive to the date as of which the interest component is determined to be includible in the gross income of Lessor for federal income tax purposes, calculated at the Taxable Rate, together with any penalties and interest actually imposed on Lessor 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 Lease Payments on the Property Schedule is includible for federal income tax purposes in the gross income of Lessor, or (b) receipt by Lessor 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 Lease Payments on the Property Schedule is excludible for federal income tax purposes from the gross income of Lessor, in each case due to any action or failure to take action by Lessee. "Taxable Rate" means the interest rate at which the interest component of Lease Payments on a Property Schedule was originally calculated, divided by 0.65.

**ASSIGNMENT BY LESSEE:** Without Lessor's prior written consent, Lessee may not, by operation of law or otherwise, assign, transfer, pledge, hypothecate or otherwise dispose of the Property, this Agreement or any interest therein.

**ASSIGNMENT BY LESSOR:** Lessor may assign, sell or encumber all or any part of this Agreement, the Lease Payments and any other rights or interests of Lessor hereunder without the necessity of providing notice to or obtaining the consent of Lessee; provided that Lessee shall have no obligation to make payments to any assignee unless and until Lessee has received notice of the name, address and tax identification number of the assignee. The initial Lessor or its assignee(s) shall maintain a register of all assignees of this Agreement. To the extent permitted by applicable law, such assignees may include trust agents for the benefit of holders of certificates of participation. Lessee agrees that if Lessor sells, assigns or transfers this Agreement, Lessor's assignee will have the same rights and benefits that Lessor has now and will not have to perform any of Lessor's obligations. **Lessee agrees that Lessor's assignee will not be subject to any claims, defenses, or offsets that Lessee may have against Lessor.**

**EVENTS OF DEFAULT:** Lessee shall be in default under this Agreement upon the occurrence of any of the following events or conditions ("Events of Default"), unless such Event of Default shall have been specifically waived by Lessor in writing: (a) default by Lessee in payment of any Lease Payment or any other indebtedness or obligation now or hereafter owed by Lessee to Lessor under this Agreement or in the performance of any obligation, covenant or liability contained in this Agreement and the continuance of such default for ten (10) consecutive days after written notice thereof by Lessor to Lessee, or (b) any warranty, representation or statement made or furnished to Lessor by or on behalf of Lessee proves to have been false in any material respect when made or furnished, or (c) actual or attempted sale, lease or encumbrance of any of the Property, or the making of any levy, seizure or attachment thereof or thereon, or (d) dissolution, termination of existence, discontinuance of the Lessee, insolvency, business failure, failure to pay debts as they mature, or appointment of a receiver of any part of the property of, or assignment for the benefit of creditors by the Lessee, or the commencement of any proceedings under any bankruptcy, reorganization or arrangement laws by or against the Lessee.

**REMEDIES OF LESSOR:** Upon the occurrence of any Event of Default and at any time thereafter, Lessor may, without any further notice, exercise one or more of the following remedies as Lessor in its sole discretion shall elect: (a) terminate the Agreement and all of Lessee's rights hereunder as to any or all items of Property; (b) proceed by appropriate court action to personally, or by its agents, take possession from Lessee of any or all items of Property wherever found and for this purpose enter upon Lessee's premises where any item of Property is located and remove such item of Property free from all claims of any nature whatsoever by Lessee and Lessor may thereafter dispose of the Property; provided, however, that any proceeds from the disposition of the Property in excess of the sum required to (i) pay to Lessor an amount equal to the total unpaid principal component of Lease Payments under the Property Schedule, including principal component not otherwise due until future fiscal years, (ii) pay any other amounts then due under the Property Schedule and this Agreement, and (iii) pay Lessor's costs and expenses associated with the disposition of the Property and the Event of Default (including attorney's fees), shall be paid to Lessee or such other creditor of Lessee as may be entitled thereto, and further provided that no deficiency shall be allowed against Lessee; (c) proceed by appropriate court action or actions to enforce performance by Lessee of its obligations hereunder or to recover damages for the breach hereof or pursue any other remedy available to Lessor at law or in equity or otherwise; (d) declare all unpaid Lease Payments and other sums payable hereunder during the current fiscal year of the Lease Term to be immediately due and payable without any presentment, demand or protest and / or take any and all actions to which Lessor shall be entitled under applicable law. No right or remedy herein conferred upon or reserved to Lessor is exclusive of any right or remedy herein or at law or in equity or otherwise provided or permitted, but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time. Lessee and Lessor 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.

**COSTS AND ATTORNEY FEES:** Upon the occurrence of an Event of Default by Lessee in the performance of any term of this Agreement, Lessee agrees to pay to Lessor or reimburse Lessor for, in addition to all other amounts due hereunder, all of Lessor'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 Lessee, 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.

**NOTICES:** All notices, and other communications provided for herein shall be deemed given when delivered or mailed by certified mail, postage prepaid, addressed to Lessor or Lessee at their respective addresses set forth herein or such other addresses as either of the parties hereto may designate in writing to the other from time to time for such purpose.

**AMENDMENTS AND WAIVERS:** This Agreement and the Property Schedule executed by Lessor and Lessee constitute the entire agreement between Lessor and Lessee with respect to the Property and this Agreement may not be amended except in writing signed by both parties.

**CONSTRUCTION:** This Agreement shall be governed by and construed in accordance with the laws of the Lessee's State. Titles of sections of this Agreement are for convenience only and shall not define or limit the terms or provisions hereof. Time is of the essence under this Agreement. This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns. This Agreement may be simultaneously executed in counterparts, each shall be an original with all being the same instrument.



APPLICATION NO.  
2273506

EQUIPMENT FINANCE

### Property Schedule to Tax-Exempt Lease/Purchase Agreement

This **Property Schedule** is entered into pursuant to the Tax-Exempt Lease/Purchase Agreement between Lessor and Lessee.

- Interpretation: The terms and conditions of the Tax-Exempt Lease/Purchase Agreement (the "Agreement") are incorporated herein.
- Commencement Date: The Commencement Date of this Property Schedule is the date that Lessor pays Vendor for the Property.
- Property Description: The Property subject to this Property Schedule is described in Exhibit A, attached hereto. 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.
- Term and Payments: Lease Term and Lease Payments are per the attached Exhibit B Amortization and Lease Payment Schedule. If the parties enter into an escrow agreement for the acquisition of the Property, then the escrow agreement shall be attached hereto as Exhibit F. In lieu of the Acceptance Date for commencement of Lease Payments, the date of deposit of the Property Cost into the escrow by Lessor shall be used. Lessee shall have the option to prepay the Lease Payments due under this Property Schedule by paying the Termination Amount shown in the attached Amortization and Lease Payment Schedule, plus any other amounts due and owing at the time of prepayment, subject to per diem adjustment.
- Certificate of Acceptance: Attached as Exhibit C, hereto.
- Expiration: Lessor, at its sole determination, may choose not to accept this Property Schedule if the fully executed, original Agreement (including this Property Schedule and all ancillary documents) are not received by Lessor at its place of business by 10/22/2017.
- Property Cost: The total principal amount under this Property Schedule for the acquisition cost of the Property is \$11,362.93.
- Lessee's General and Incumbency Certificate: Lessee has provided the Lessee's General and Incumbency Certificate in the form attached as Exhibit D, hereto.
- Lessee's Counsel's Opinion: If required by Lessor, Lessee has provided the opinion of its legal counsel substantially in the form as attached as Exhibit E, hereto.
- Private Activity Issue: Lessee understands that among other things, in order to maintain the exclusion of the interest component of Lease 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").

Lessee 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 Lessee 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, lease, 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 Lessee. Throughout the Measurement Period, Lessee will not permit the Non-Qualified Use of the Property to exceed 10%.

- Bank Qualification: Lessee designates this Agreement and Property Schedule as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended. Lessee 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 Lessee) during the calendar year this Agreement and Property Schedule was funded, in an amount not exceeding \$10,000,000.

 **BUS** Lessee initial here, if Bank Qualification is applicable.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Property Schedule to be executed in their names by their duly authorized representatives.

#### U.S. Bank Equipment Finance

Lessor

Signature

Date

Print Name

Title

#### YAMHILL COUNTY OF

Lessee

Signature

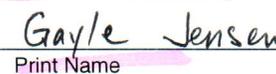
Date

Print Name

Title

X 

Attest By Signature

 Chief Deputy Clerk

Print Name

Title

 10-12-17  
BRIAN VANBERGEAL COUNTY CLERK





**Exhibit B**

APPLICATION NO.

2273506

EQUIPMENT FINANCE

**Amortization and Lease Payment Schedule**

Term: 36 months

Payment Structure: MONTHLY

Interest Rate: 4.462%

If the Lease Payment Dates are not defined in this Amortization and Lease Payment Schedule, the first Lease Payment shall be due 30 days after the Commencement Date and each subsequent Lease Payment shall be due monthly thereafter.

Payment Number	Lease Payment	Interest Portion	Principal Portion	Outstanding Balance	Termination amount (After making Said Payment)
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Beginning Balance

11,362.93

1	337.82	42.25	295.57	11,067.36	11,399.38
2	337.82	41.15	296.67	10,770.69	11,093.81
3	337.82	40.05	297.77	10,472.92	10,787.11
4	337.82	38.94	298.88	10,174.04	10,479.26
5	337.82	37.83	299.99	9,874.05	10,170.27
6	337.82	36.72	301.10	9,572.95	9,860.14
7	337.82	35.60	302.22	9,270.73	9,548.85
8	337.82	34.47	303.35	8,967.38	9,236.40
9	337.82	33.34	304.48	8,662.90	8,922.79
10	337.82	32.21	305.61	8,357.29	8,608.01
11	337.82	31.08	306.74	8,050.55	8,292.07
12	337.82	29.94	307.88	7,742.67	7,974.95
13	337.82	28.79	309.03	7,433.64	7,656.65
14	337.82	27.64	310.18	7,123.46	7,337.16
15	337.82	26.49	311.33	6,812.13	7,016.49
16	337.82	25.33	312.49	6,499.64	6,694.63
17	337.82	24.17	313.65	6,185.99	6,371.57
18	337.82	23.00	314.82	5,871.17	6,047.31
19	337.82	21.83	315.99	5,555.18	5,721.84
20	337.82	20.66	317.16	5,238.02	5,395.16
21	337.82	19.48	318.34	4,919.68	5,067.27
22	337.82	18.29	319.53	4,600.15	4,738.15
23	337.82	17.11	320.71	4,279.44	4,407.82
24	337.82	15.91	321.91	3,957.53	4,076.26
25	337.82	14.72	323.10	3,634.43	3,743.46
26	337.82	13.51	324.31	3,310.12	3,409.42
27	337.82	12.31	325.51	2,984.61	3,074.15

28	337.82	11.10	326.72	2,657.89	2,737.63
29	337.82	9.88	327.94	2,329.95	2,399.85
30	337.82	8.66	329.16	2,000.79	2,060.81
31	337.82	7.44	330.38	1,670.41	1,720.52
32	337.82	6.21	331.61	1,338.80	1,378.96
33	337.82	4.98	332.84	1,005.96	1,036.14
34	337.82	3.74	334.08	671.88	692.04
35	337.82	2.50	335.32	336.56	346.66
36	337.82	1.26	336.56	0.00	0.00
	12,161.52	798.59	11,362.93		

This Amortization and Lease Payment Schedule is hereby verified as correct by the undersigned, who acknowledges receipt of a copy.

**LESSEE ACCEPTANCE**

YAMHILL COUNTY OF  
NAME OF LESSEE

X *[Signature]* COUNTY CLERK  
SIGNATURE TITLE

10-12-17  
DATED



EQUIPMENT FINANCE

**Exhibit C**

APPLICATION NO.

2273506

**Certificate of Acceptance**

This **Certificate of Acceptance** is pursuant to Tax-Exempt Lease/Purchase Agreement dated as of 10-2-17 and the related Property Schedule, between Lessor and Lessee (the "Agreement").

1. Property Acceptance. Lessee hereby certifies and represents to Lessor that the Property referenced in the Agreement has been acquired, made, delivered, installed and accepted as of the date indicated below. Lessee 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. Lessee will immediately begin making Lease Payments in accordance with the times and amounts specified herein. LESSOR 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 LESSOR HEREBY DISCLAIMS THE SAME; IT BEING UNDERSTOOD THAT THE PROPERTY IS LEASED TO LESSEE "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 LESSEE.
2. Billing Address. If billing address differs from the address listed on the Tax-Exempt Lease/Purchase Agreement please list below:

BILLING NAME			
STREET ADDRESS	CITY	STATE	ZIP

IN WITNESS WHEREOF, Lessee has caused this Certificate of Acceptance to be executed by their duly authorized representative.

10-2-17

Acceptance Date

**YAMHILL COUNTY OF**

Lessee

X Brian Van Bergen

Signature

BRIAN VAN BERGEN County Clerk

Print Name

Title

**Lessee's General and Incumbency Certificate**

**GENERAL CERTIFICATE**

Re: Tax-Exempt Lease/Purchase Agreement and Property Schedule dated as of 10-12-17, between YAMHILL COUNTY OF, as Lessee ("Lessee") and U.S. Bank Equipment Finance, a division of U.S. Bank National Association as Lessor.

The undersigned, being the duly elected, qualified and acting official of Lessee holding the title stated in the signature line below, does hereby certify as of the date of this Certificate and the date of the Agreement (as defined below), as follows:

1. If required by applicable law, Lessee did, at a meeting of the governing body of the Lessee, 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 Tax-Exempt Lease/Purchase Agreement (the "Agreement") by the undersigned.
2. If the aforementioned meeting(s) was required by applicable law, the meeting(s) of the governing body of the Lessee at which the 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 Agreement and the Property Schedule and authorizing the execution thereof has not been altered or rescinded. All meetings required by applicable law of the governing body of Lessee relating to the authorization and delivery of Agreement and the Property Schedule have been: (a) held within the geographic boundaries of the Lessee; (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 Lessee, 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 Agreement) exists at the date hereof with respect to this Property Schedule under the Agreement.
4. The acquisition of all of the Property under the Agreement and the Property Schedule has been duly authorized by the governing body of Lessee.
5. Lessee 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 Agreement and 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 Lessee in any court (a) seeking to restrain or enjoin the delivery of the Agreement or the Property Schedule or of other agreements similar to the Agreement; (b) questioning the authority of Lessee to execute the Agreement or the Property Schedule, or the validity of the 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 Agreement and the Property Schedule; or (d) affecting the provisions made for the payment of or security for the Agreement and the Property Schedule.

IN WITNESS WHEREOF, the undersigned has signed this Certificate on the date stated below.

YAMHILL COUNTY OF

  
Signature of Person to Sign Agreement

COUNTY CLERK  
Print Title of Person to Sign Agreement

BRIAN VAN BERGEN  
Print Name of Person to Sign Agreement

10-12-17  
Print Date that Above Person Signed this Certificate

**INCUMBENCY CERTIFICATE**

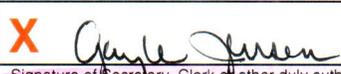
Re: Tax-Exempt Lease/Purchase Agreement and Property Schedule dated as of \_\_\_\_\_, between YAMHILL COUNTY OF, as Lessee ("Lessee") and U.S. Bank Equipment Finance, a division of U.S. Bank National Association as Lessor ("Agreement").

The undersigned, being the duly elected, qualified and acting Secretary, Clerk, or other duly authorized official or signatory of the Lessee does hereby certify, as of the date of this Certificate and the date of the Agreement (as defined in the General Certificate above), as follows:

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

NAME OF PERSON SIGNING AGREEMENT	TITLE OF PERSON SIGNING AGREEMENT	SIGNATURE OF PERSON SIGNING AGREEMENT
BRIAN VAN BERGEN	COUNTY CLERK	

IN WITNESS WHEREOF, the undersigned has signed this Certificate on the date stated below.

  
Signature of Secretary, Clerk or other duly authorized official or signatory of Lessee (Cannot be same as Person Signing Agreement)

Chief Deputy Clerk  
Print Title of Person who signed this Certificate

Gayle Jensen  
Print Name of Person Signing this Certificate

10/12/2017  
Print Date that Above Person Signed this Certificate



APPLICATION NO.  
2273506

EQUIPMENT FINANCE

### Insurance Authorization and Verification

Re: Tax-Exempt Lease/Purchase Agreement dated as of \_\_\_\_\_, between Lessee and Lessor.

**Lessor:** U.S. Bank Equipment Finance  
1310 Madrid Street, Ste. 101  
Marshall, MN 56258

**Lessee:** YAMHILL COUNTY OF  
414 NE EVANS STREET  
MCMINNVILLE, OR 97128

**TO THE LESSEE:** In connection with the above-referenced Tax-Exempt Lease/Purchase Agreement and the Property Schedule thereunder each dated \_\_\_\_\_ (the "Agreement"), Lessor requires proof in the form of this document, executed by both Lessee\* and Lessee's agent, that Lessee's insurable interest in the financed property (the "Property") meets Lessor's requirements as follows, with coverage including, but not limited to, fire, extended coverage, vandalism, and theft:

**LESSOR, 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 Lessor. 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 Lessor and Lessee at least thirty (30) days in advance of such cancellation or modification.**

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

**Lessee must carry PROPERTY Insurance (or, for vehicles, Physical Damage Insurance) in an amount no less than the 'Insurable Value' \$11,362.93, with deductibles no more than \$10,000.00.**

*\*Lessee: Please execute this form and return with your document package. Lessor will fax this form to your insurance agency for endorsement. In lieu of agent endorsement, Lessee's agency may submit insurance certificates demonstrating compliance with all requirements. Should you have any questions, please contact U.S. Bank Equipment Finance at 800-328-5371.*

**By signing, Lessee 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.**

NAME OF AGENCY		NAME OF AGENT		
STREET ADDRESS		CITY	STATE	ZIP
PHONE	FAX	E-MAIL		

#### LESSEE ACCEPTANCE

YAMHILL COUNTY OF

NAME OF LESSEE

X  COUNTY CLERK

SIGNATURE

TITLE

10.12.17

DATED

**TO THE AGENT:** In lieu of providing a certificate, please execute this form in the space below and promptly fax it to Lessor at 866-405-8329. This fully endorsed form shall serve as proof that Lessee's insurance meets the above requirements.

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

#### AGENT ACCEPTANCE

X

NAME OF AGENCY

SIGNATURE

PRINT NAME

DATED

Insurable Value: \$11,362.93

ATTACHED: PROPERTY DESCRIPTION FOR THE AGREEMENT.

**Information Return for Small Tax-Exempt  
 Governmental Bond Issues, Leases, and Installment Sales**

OMB No. 1545-0720

▶ **Under Internal Revenue Code section 149(e)**

**Caution:** If the issue price of the issue is \$100,000 or more, use Form 8038-G.

<b>Part I Reporting Authority</b>		Check box if <b>Amended Return</b> <input type="checkbox"/>
1 Issuer's name <b>YAMHILL COUNTY OF</b>		2 Issuer's employer identification number (EIN) <b>93 600 2318</b>
3 Number and street (or P.O. box if mail is not delivered to street address) <b>414 NE EVANS ST</b>		Room/suite
4 City, town, or post office, state, and ZIP code <b>MCMINNVILLE OR 97128</b>		5 Report number (For IRS Use Only) <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
6 Name and title of officer or other employee of issuer or designated contact person whom the IRS may call for more information		7 Telephone number of officer or legal representative

<b>Part II Description of Obligations</b> Check one: a single issue <input checked="" type="checkbox"/> or a consolidated return <input type="checkbox"/>	
8a Issue price of obligation(s) (see instructions)	8a <b>11362 93</b>
b Issue date (single issue) or calendar date (consolidated). Enter date in mm/dd/yyyy format (for example, 01/01/2009) (see instructions) ▶	
9 Amount of the reported obligation(s) on line 8a that is:	
a For leases for vehicles	9a
b For leases for office equipment	9b
c For leases for real property	9c
d For leases for other (see instructions)	9d
e For bank loans for vehicles	9e
f For bank loans for office equipment	9f <b>11362 93</b>
g For bank loans for real property	9g
h For bank loans for other (see instructions)	9h
i Used to refund prior issue(s)	9i
j Representing a loan from the proceeds of another tax-exempt obligation (for example, bond bank)	9j
k Other	9k
10 If the issuer has designated any issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check this box <input type="checkbox"/>	
11 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check this box (see instructions) <input type="checkbox"/>	
12 Vendor's or bank's name: <b>COPYTRONIX/CTX BUSINESS SOLUTIONS INC</b>	
13 Vendor's or bank's employer identification number: <b>9 3 0 5 5 7 4 0 7</b>	

**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(s) that I have authorized above.

*Brian Van Bergeen*      10.12.17      **BRIAN VAN BERGEEN**  
 Signature of issuer's authorized representative      Date      Type or print name and title  
**COUNTY CLERK**

<b>Paid Preparer Use Only</b>	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.			

**General Instructions**  
 Section references are to the Internal Revenue Code unless otherwise noted.

**What's New**  
 The IRS has created a page on IRS.gov for information about the Form 8038 series and its instructions, at [www.irs.gov/form8038](http://www.irs.gov/form8038). Information about any future developments affecting the Form 8038 series (such as legislation enacted after we release it) will be posted on that page.

**Purpose of Form**  
 Form 8038-GC is used by the issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

**Who Must File**  
 Issuers of tax-exempt governmental obligations with issue prices of less than \$100,000 must file Form 8038-GC.  
 Issuers of a tax-exempt governmental obligation with an issue price of \$100,000 or more must file Form 8038-G, Information Return for Tax-Exempt Governmental Obligations.

**Filing a separate return for a single issue.**  
 Issuers have the option to file a separate Form 8038-GC for any tax-exempt governmental obligation with an issue price of less than \$100,000.  
 An issuer of a tax-exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that an election was made to

pay a penalty in lieu of arbitrage rebate (see the line 11 instructions).

**Filing a consolidated return for multiple issues.** For all tax-exempt governmental obligations with issue prices of less than \$100,000 that are not reported on a separate Form 8038-GC, an issuer must file a consolidated information return including all such issues issued within the calendar year.  
 Thus, an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues issued during the calendar year on one consolidated Form 8038-GC. However, if the issue is a construction issue, a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate.

**CERTIFICATE OF COVERAGE**

<b>Agent</b> Brown & Brown Northwest 2701 NW Vaughn St, Ste. 340 Portland, OR 97210  www.bbnw.com	This certificate is issued as a matter of information only and confers no rights upon the certificate holder other than those provided in the coverage document. This certificate does not amend, extend or alter the coverage afforded by the coverage documents listed herein.	 citycounty insurance services
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<b>Named Member or Participant</b> Yamhill County 535 NE Fifth Street McMinnville OR 97128	<p align="center"><b>Companies Affording Coverage</b></p> <b>COMPANY A</b> - CIS <b>COMPANY B</b> - National Union Fire Insurance Compa <b>COMPANY C</b> - RSUI Indemnity <b>COMPANY D</b> -
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**LINES OF COVERAGE**

This is to certify that coverage documents listed herein have been issued to the Named Member herein for the Coverage period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which the certificate may be issued or may pertain, the coverage afforded by the coverage documents listed herein is subject to all the terms, conditions and exclusions of such coverage documents.

Type of Coverage	Company Letter	Certificate Number	Effective Date	Termination Date	Coverage	Limit
<b>General Liability</b> ✓ Commercial General Liability ✓ Public Officials Liability ✓ Employment Practices ✓ Occurrence	A	17LYAMC	7/1/2017	7/1/2018	General Aggregate: Each Occurrence:	15,000,000 5,000,000
<b>Auto Liability</b> ✓ Scheduled Autos ✓ Hired Autos ✓ Non-Owned Autos	A	17LYAMC	7/1/2017	7/1/2018	General Aggregate: Each Occurrence:	None 5,000,000
<b>Auto Physical Damage</b> ✓ Scheduled Autos ✓ Hired Autos ✓ Non-Owned Autos	A	17APDYAMC	7/1/2017	7/1/2018		
✓ <b>Property</b>	A	17PYAMC	7/1/2017	7/1/2018		Per Filed Values
✓ <b>Boiler and Machinery</b>	A	17PYAMC	7/1/2017	7/1/2018		Per Filed Values
<b>Excess Liability</b>						
<b>Excess Crime</b>						
✓ <b>Excess Earthquake</b>	C	17EQYAMC	7/1/2017	7/1/2018		5,000,000
✓ <b>Excess Flood</b>	C	17FYAMC	7/1/2017	7/1/2018		5,000,000
✓ <b>Excess Cyber Liability</b>	A	17ECLYAMC	7/1/2017	7/1/2018	Occurrence/Aggregate:	500,000
✓ <b>Workers' Compensation</b>	A	17WYAMC	7/1/2017	7/1/2018		Coverage A&B

Description:  
 RE: Lease Agreement/Application Ref: 2273506, Copier, Value \$11,362.93 - Property deductible \$5,000  
 CIS GL/AL (7-1-17) & CIS Policy form Loss Payee applies refer to attached.  
 Subject to policy terms, conditions and exclusions.

Certificate Holder:  U.S. Bank Equipment Finance 1310 Madrid Street, Ste 101 Marshall MN 66258	CANCELLATION: Should any of the coverage documents herein be cancelled before the expiration date thereof, CIS will provide 30 days written notice to the certificate holder named herein, but failure to mail such notice shall impose no obligation or liability of any kind upon CIS, its agents or representatives, or the issuer of this certificate.   By: Ron Cutter Date: 10/18/2017
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# **CIS TRUST**

## **GENERAL AND AUTO LIABILITY COVERAGE AGREEMENT**

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This is an agreement between the **Trust**, as defined herein, and the **named member** identified in the General & Auto Liability Coverage Declarations as “Named Member” for “Public Entity Liability Coverage” for the applicable coverage period. Various provisions of this agreement restrict coverage. Read the entire coverage agreement carefully to determine rights, duties, and what is and what is not covered. Words or phrases that appear in **bold-faced** type have special meaning and are defined in Sections 1, 10B, 11B, and 12C.

### 1. DEFINITIONS

A. **"Administration"** means:

- (1) Giving counsel to employees with respect to the **employee benefit programs**;
- (2) Interpreting the **employee benefit programs**;
- (3) Handling records in connection with **employee benefit programs**;
- (4) Effecting enrollment, termination or cancellation of employees under the **employee benefits programs**;

provided all such acts are authorized by the **named member**.

B. **"Airport"** means any area of land or water that is intended for the landing and takeoff of aircraft, and includes its buildings and related facilities, if any.

C. **"Bodily Injury"** means bodily injury, sickness or disease sustained by a person including death resulting from any of these.

D. **"Claim"** means any notice or demand to the **named member** by or on behalf of a party seeking **damages** that reasonably communicates to the **named member** the party's intent to seek money **damages** from the **member**.

E. **"Covered Auto"** means any vehicle designed for land transportation, whether or not licensed for highway use, and owned or operated by the **member**.

F. **"Damages"** means all sums recoverable by law from any liability covered under this coverage agreement, including punitive damages if awarded, but not including any sums awarded for plaintiff's attorney fees, or expert fees, under any statute including but not limited to, 42 U.S. Code, 1988, in any case in which monetary damages are not sought or not awarded. Damages do not include:

- (1) Costs necessary to comply with injunctions or declaratory relief.
- (2) Sums recoverable for breach of contract; express or implied.
- (3) Sums awarded as compensation due or accruing to the benefit of the employee while still employed by the **named member**.

- (4) Sums sought or awarded for claims of unjust enrichment, money had and received or replevin.
  - (5) Sums due to taxing authorities, insurance programs, or retirement plans as a result of an award of damages or claim settlement.
  - (6) Fines or penalties assessed to the Member for non-payment of taxes, insurance contributions or retirement plan contributions.
- G. **"Employee benefit programs"** shall mean group life insurance, group health insurance, profit sharing plans, pension plan, employee stock subscription plans, workers' compensation, unemployment insurance, social security, disability benefits insurance and travel, savings or vacation plans.
- H. **"Fungus or fungi"** includes but is not limited to any form or type of mold, mushroom or mildew.
- I. **"Hazardous properties"** means radioactive, toxic or explosive properties.
- J. **"Hospital" or "nursing home"** means any facility with an organized medical staff, with permanent facilities that include inpatient beds and with medical services, including physician services and continuous nursing services under the supervision of registered nurses, to provide diagnosis and medical or surgical treatment including but not limited to providing treatment for 1) acutely ill patients and accident victims, 2) mentally ill patients or 3) patients in special inpatient care facilities. However, in-patient care facilities incidental to correctional facilities shall not be considered a **hospital** or **nursing home**.
- K. **"Member"** means the entity named on the declarations page and its officers, employees and agents including volunteers, authorized to act on behalf of the **named member**, all acting within the scope of their employment or duties whether arising out of a governmental or proprietary function. The term **member** shall also include **additional members** to the extent coverage is afforded under the definition of **additional member**.
- (1) **"Named member"** means the entity named as such on the Declarations page of the coverage agreement,
  - (2) **"Additional member"** means any party whom a public body covered under this coverage agreement has agreed to hold harmless, indemnify or defend pursuant to a contract or other agreement lawfully entered into by such public body. However, in no event shall coverage under this coverage agreement extend to such party for any **claim** arising out of an **occurrence** after the expiration of this coverage agreement or the expiration of the contract or agreement entered into by the public body, whichever shall occur first. Further, in no event shall coverage under this coverage agreement extend to such party for any **claim**, however or whenever asserted, arising out of such party's sole negligence. Except as specified in this paragraph, such party shall have no rights under the **Trust Agreement**, Bylaws or Rules of the **Trust**. The term "additional insured" if used on a certificate of coverage, shall be understood to mean the same as **additional member**.
- L. **"Nuclear Facility"** means:
- (1) Any nuclear reactor;
  - (2) Any equipment or device designed or used for:

- a. separating the isotopes of uranium or plutonium,
  - b. processing or utilizing **spent fuel**, or
  - c. handling, processing, or packaging **nuclear waste**;
- (3) any equipment or device used for the processing, fabricating or alloying of special **nuclear material** if at any time the total amount of such material in the custody of the **member** at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (4) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **nuclear waste**;

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

- M. **“Nuclear material”** means **source material, special nuclear material or by-product material**.
- N. **“Nuclear reactor”** means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
- O. **“Nuclear waste”** means any waste material:
- (1) containing **by-product material** other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore process primarily for its **source material** content, and
  - (2) resulting from the operation by any person or organization of any nuclear facility included under the first two paragraphs of the definition of **nuclear facility**.
- P. **“Nursing home”** see **Hospital**.
- Q. **“Occurrence”** means:
- (1) an incident, event, act, error or omission which occurs during the coverage period:  
or
  - (2) a series of related incidents, events, acts, errors or omissions; or a continuous or repeated exposure to substantially the same general conditions, which occur during the coverage period. If the **occurrence** begins in one coverage period and ends in another, the **occurrence** shall be deemed to have taken place during the last such coverage period. Such incidents, events, acts, errors or omissions, or continuous or repeated exposures to substantially the same conditions shall be deemed to be a single **occurrence** for purposes of determining the “per occurrence” limit of liability and deductible, if any. Only the coverage and limits in effect for the last coverage period shall apply and only one “per occurrence” limit shall be available for each such multi-period **occurrence** regardless of the number of coverages under this coverage agreement which may apply to such **occurrence**.

- R. **"Personal Injury"** means false arrest, detention, imprisonment, malicious prosecution, libel, slander, or publication or utterance in violation of the individual's right of privacy, wrongful entry or eviction, or invasion of the right of private occupancy.
- S. **"Pollutants,"** as used in exclusion Section 4I, means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkali, and chemicals, bacteria, organisms, and pathogens. However, **pollutants** does not include sewage which through the negligence of the **member** escapes the confines of a municipal sewage treatment system owned or operated by the **member**.
- T. **"Property Damage"** means injury to or destruction of tangible property.
- U. **"Source material," "special nuclear material,"** or **"by-product material"** have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
- V. **"Spent fuel"** means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**.
- W. **"Spore(s)"** include any reproductive body produced or arising out of any **fungus or fungi**.
- X. **"Trust Agreement"** means the CITY COUNTY INSURANCE SERVICES DECLARATION AND AGREEMENT OF TRUST.
- Y. **"Trust"** means the CIS or CIS Trust, as described in the **Trust Agreement**.
- Z. **"Waste"** as used in exclusion Section 4I, includes, but is not limited to, materials to be recycled, reconditioned, or reclaimed.

## 2. COVERAGES

In accordance with and subject to the General & Auto Liability Coverage Declarations applicable to the **named member** to which this Coverage Agreement applies; the City County Insurance Services Declaration and Agreement of Trust (herein "**Trust Agreement**"); the Bylaws and Rules of the **Trust**; and the terms, conditions, and limitations of this Coverage Agreement and in consideration of the contribution for which this coverage agreement is written, the **Trust** will pay on behalf of the **member** all **damages** arising out of an **occurrence**, not to exceed the Limits of Liability as set further described in Section 4. of this Coverage Agreement because of:

Coverage A: Liability arising under Oregon Revised Statutes 30.260 to 30.300; asserted pursuant to ORS 30.260 to 30.300.

Coverage B: Liability arising under 42 U.S. Code 1983; 42 U.S. Code 2000e, et seq. (Title VII of the Civil Rights Act of 1964); 29 U.S. Code 621, et seq. (Age Discrimination in Employment Act of 1967); The Americans with Disabilities Act; The Civil Rights Act of 1991; 42 U.S. Code 1981; 42 U.S. Code 3601, et seq. (The Fair Housing Act); ORS Chapter 659; ORS Chapter 659A; ORS 652.355; ORS 654.062; 29 U.S. Code Sec. 261, et seq. (Family and Medical Leave Act); or any law amendatory thereof.

Coverage C: Tort liability for **bodily injury, personal injury** and **property damage** for which the **member** is legally liable under the laws of any jurisdiction other than the State of Oregon and other than any United States Federal jurisdiction to which this coverage agreement applies.

- Coverage D: Tort liability for the negligence of others assumed by the **named member** under contract, except as hereinafter limited in the definition of the term "**member**."
- Coverage E: Liability to a **named member's** employee, prospective employee, former employee or the beneficiaries or legal representatives thereof, arising out of, and asserted pursuant to, ORS 30.260 to 30.300, and caused by an **occurrence** consisting of or based upon the **member's** negligent errors or omissions in the **administration** of the **named member's employee benefits program**.
- Coverage F: Uninsured/Underinsured Motorists Coverage as set forth in Section 10 of this coverage agreement, pursuant to ORS 278.215. The Limits of Liability of such coverage with respect to a **member** shall be the Per Occurrence Limit for General and Auto Liability Coverage as set forth in the General and Auto Liability Declarations. The limits of liability of such coverage with respect to a permissive user of a **covered auto**, other than a **member**, shall be the amounts set forth in ORS 806.070 that is the minimum liability limits of the Financial Responsibility Law as provided in the Oregon Vehicle Code and as set forth in Section 8 of this coverage agreement.

In accordance with and subject to the Declarations, the **Trust Agreement**, Bylaws and Rules of the **Trust**, and in consideration of the contribution for which this Coverage Agreement is written, and independent of Coverages A - F above, the **Trust** will pay:

- Coverage G: Legal expenses reasonably incurred by a public official of the **named member** arising out of defense of a complaint alleging violation of ORS 244.040 or 244.120 to 244.135, subject to the terms and conditions set forth in Section 7, ETHICS LEGAL EXPENSE COVERAGE of this coverage agreement.
- Coverage H: The actual or alleged accidental discharge, dispersal, release or escape of pollutants, subject to the terms, conditions, and limitations set forth in this Coverage Agreement, specifically including, without limitation, Section 11, LIMITED POLLUTION LIABILITY COVERAGE.
- Coverage I: Unless such expenses or **damages** are otherwise covered by this Coverage Agreement, CYBER SECURITY EXPENSE COVERAGE as set forth in Section 12.

The **Trust** shall have the right and duty to defend, with legal counsel selected by the **Trust**, any claim or suit against the **member** seeking **damages**, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient. The duty to defend any claim or suit shall terminate, except as provided hereafter, when such claim or suit ceases to seek **damages** against the **member**. Provided, however, that the duty to defend any claim or suit shall not terminate so long as the claim or suit includes an allegation of breach of an implied contract arising out of an employment relationship with the **named member**.

### 3. DEDUCTIBLES

- A. CONDITIONAL DEDUCTIBLE: Employment Practices

- G. For the purposes of this section, "**securities**" means all negotiable and non-negotiable instruments or contracts representing either "**money**"; defined as currency, coin, bank notes and bullion; or other property including revenue and other stamps in current use, tokens coins and tickets.
- H. Coverages provided under this Crime coverage section, section 10, are suspended as described below, if the **member** fails to comply with the **member's** obligations under ORS 297.425 and/or ORS 297.435.

If the **member** is delinquent in compliance with the annual audit obligation, for more than 90 days past the **member's** anniversary date for compliance, the **Trust's** obligation under this section shall be suspended. The **member** is eligible for reinstatement at such time as the **member** 1) is in compliance with ORS 297.425 and ORS 297.435, and 2) the **member** has provided documentation to the **Trust** confirming no unresolved irregularities or deficiencies.

- I. Regardless of the number of years the **Named Member** has participated in the **Trust** property coverage program or the number of contributions paid, no limit of coverage cumulates from year to year or coverage period to coverage period.

## 11. POLICE DOGS

The **Trust** will pay the **Member** for death of, **injury** to, or theft of, police dogs, subject to the following terms and conditions:

- A. "**Injury**" means:
  - (1) Physical injury, whenever and however incurred; and
  - (2) Disease contracted within, and exclusively caused by, the police dogs use in law enforcement activities on behalf of the **Member**.
- B. In the event of **injury**, the **Trust** will pay for reasonable and necessary veterinary care arising out of such **injury**. No coverage is provided under this coverage agreement for routine veterinary care. In the event an **injury** to a covered dog has been determined to be such as to preclude the dogs continued use as a police dog, the **Member** may elect either coverage for the costs related to the **injury** suffered or coverage for replacement of the injured dog, as outlined in 11D below, but not both.
- C. Coverage is provided only for those police dogs shown on the mobile equipment schedule currently filed by the **Member** with the **Trust**, unless such police dog was acquired by the **Member** during the coverage period noted above.
- D. In the event replacement of a covered police dog is necessary as the result of a covered loss, coverage will include the cost of additional training of the new dog and its handler, subject to the maximum liability for police dog coverage stated herein.
- E. The maximum liability of the **Trust** as to any single police dog during the coverage period noted above shall be \$15,000.

## 12. LOSS PAYABLE AND ADDITIONAL MEMBER

It is understood and agreed that the **Trust** will issue Certificates of Coverage under this coverage agreement to parties, other than the **Member**, having an interest in this coverage subject to the following provisions:

- A. Certificates issued to such other parties as evidence of coverage shall not constitute additional coverage.
- B. This coverage agreement shall extend to and cover the full insurable interest in the property covered hereby of such other parties to whom certificates have or will be issued and to the extent of their insurable interest such other parties shall be considered as additional **Members**.

It is understood and agreed that whenever a **Member**, as part of any design, management or construction contract, has contracted to procure Builders' Risk CIS endorsement for or in the name of, or with loss payable to, any person, firm or corporation, such party shall be deemed as added to this coverage agreement as an additional **Member** but only until such time as the project requiring the Builders' Risk CIS endorsement is completed.

13. NO CONTROL

This agreement shall not be prejudiced by any act or neglect of the owner of any **building** if the **Member** is not the owner thereof, or by any act or neglect, when such act or neglect of the owner or occupant is not within the control of the **Member** or by failure of the **Member** to comply with any warranty or condition contained in any form or endorsement attached to this coverage agreement with regard to any portion of the premises over which the **Member** has no control.

14. CONTINGENT LIABILITY FOR THE OPERATION OF BUILDING CODES

The limit for this coverage is included within the limit of liability as described in Section 1 and is not an additional amount of coverage.

In the event loss or damage covered hereunder causes the enforcement of any law, ordinance, governmental directive or standard regulating the construction, repair, use, or occupancy of property, the **Trust** will pay:

- A. The cost of demolishing the undamaged property, including the cost of clearing the site, but not to exceed an amount equal to 25% of the scheduled value of the building;
- B. Increased cost of repair or reconstruction of the damaged and undamaged property on the same or another site, limited to the cost that would have been incurred in order to comply with the minimum requirements of such law or ordinance regulating the repair or reconstruction of the damaged property on the same site. However, the **Trust** shall not be liable for any increased cost of construction loss unless the damaged property is actually rebuilt or replaced, and in no case shall the Trust be liable for more than \$5 million per occurrence for increased costs associated with repair or reconstruction of property due to the operation of building codes.

15. OFF-PREMISES SERVICE INTERRUPTION

This coverage agreement covers consequential losses or damage to scheduled property arising from changes in temperature or humidity due to damage or destruction of: