

GOVERNMENT OBLIGATION CONTRACT

Obligor

Meridian Community Unit School District No. 223
207 West Main Street
Stillman Valley, Illinois 61084

Obligee

Lease Servicing Center, Inc. dba NCL Government Capital
220 22nd Avenue East, Suite 106
Alexandria, Minnesota 56308

Dated as of April 8, 2022

This Government Obligation Contract dated as of the date listed above is between Obligor and Obligor listed directly above. Obligor desires to finance the purchase of the Equipment described in Exhibit A to Obligor and Obligor desires to have Obligor finance the purchase of the Equipment subject to the terms and conditions of this Contract which are set forth below.

I. Definitions

Section 1.01 Definitions. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

- "Additional Schedule" refers to the proper execution of additional schedules to Exhibit A and Exhibit B, as well as other exhibits or documents that may be required by the Obligor all of which relate to the financing of additional Equipment.
- "Budget Year" means the Obligor's fiscal year.
- "Commencement Date" is the date when Obligor's obligation to pay Contract Payments begins.
- "Contract" means this Government Obligation Contract and all Exhibits attached hereto, all addenda, modifications, schedules, refinancings, guarantees and all documents relied upon by Obligor prior to execution of this Contract.
- "Contract Payments" means the payments Obligor is required to make under this Contract as set forth on Exhibit B.
- "Contract Term" means the Original Term and all Renewal Terms.
- "Exhibit" includes the Exhibits attached hereto, and any "Additional Schedule", whether now existing or subsequently created.
- "Equipment" means all of the items of Equipment listed on Exhibit A and any Additional Schedule, whether now existing or subsequently created, and all replacements, restorations, modifications and improvements.
- "Government" as used in the title hereof means a State or a political subdivision of the State within the meaning of Section 103(a) of the Internal Revenue Code of 1986, as amended ("Code"), or a constituted authority or district authorized to issue obligations on behalf of the State or political subdivision of the State within the meaning of Treasury Regulation 1.103-1(b), or a qualified volunteer fire company within the meaning of section 150(e)(1) of the Code.
- "Obligee" means the entity originally listed above as Obligor or any of its assignees.
- "Obligor" means the entity listed above as Obligor and which is financing the Equipment through Obligor under the provisions of this Contract.
- "Original Term" means the period from the Commencement Date until the end of the Budget Year of Obligor.
- "Partial Prepayment Date" means the first Contract Payment date that occurs on or after the earlier of (a) the twenty-four month (24) anniversary of the Commencement Date or (b) the date on which Obligor has accepted all the Equipment and all amounts have been disbursed from the Vendor Payable Account to pay for the Equipment.
- "Purchase Price" means the total cost of the Equipment, including all delivery charges, installation charges, legal fees, financing costs, recording and filing fees and other costs necessary to vest full, clear legal title to the Equipment in Obligor, subject to the security interest granted to and retained by Obligor as set forth in this Contract, and otherwise incurred in connection with the financing of this Equipment.
- "Renewal Term" means the annual term which begins at the end of the Original Term and which is simultaneous with Obligor's Budget Year and each succeeding Budget Year for the number of Budget Years necessary to comprise the Contract Term.
- "State" means the state which Obligor is located.
- "Surplus Amount" means any amount on deposit in the Vendor Payable Account on the Partial Prepayment Date.
- "Vendor Payable Account" means the separate account of that name established pursuant to Section X of this Contract.

II. Obligor Warranties

Section 2.01 Obligor represents, warrants and covenants as follows for the benefit of Obligor or its assignees:

- (a) Obligor is an "issuer of tax exempt obligations" because Obligor is the State or a political subdivision of the State within the meaning of Section 103(a) of the Internal Revenue Code of 1986, as amended, (the "Code") or because Obligor is a constituted authority or district authorized to issue obligations on behalf of the State or political subdivision of the State within the meaning of Treasury Regulation 1.103-1(b), or a qualified volunteer fire company within the meaning of section 150(e)(1) of the Code.
- (b) Obligor has complied with any requirement for a referendum and/or competitive bidding.
- (c) Obligor has complied with all statutory laws and regulations that may be applicable to the execution of this Contract; Obligor, and its officer executing this Contract, are authorized under the Constitution and laws of the State to enter into this Contract and have used and followed all proper procedures of its governing body in executing and delivering this Contract. The officer of Obligor executing this Contract has the authority to execute and deliver this Contract. This Contract constitutes a legal, valid, binding and enforceable obligation of the Obligor in accordance with its terms.
- (d) Obligor shall use the Equipment only for essential, traditional government purposes.
- (e) Should the IRS disallow the tax-exempt status of the interest portion of the Contract Payments as a result of the failure of the Obligor to use the Equipment for governmental purposes, or should the Obligor cease to be an issuer of tax exempt obligations, or should the obligation of Obligor created under this Contract cease to be a tax exempt obligation for any reason, then Obligor shall be required to pay additional sums to the Obligor or its assignees so as to bring the after tax yield on this Contract to the same level as the Obligor or its assignees would attain if the transaction continued to be tax-exempt.
- (f) Obligor will submit to the Secretary of the Treasury an information reporting statement as required by the Code.
- (g) Upon request by Obligor, Obligor will provide Obligor with current financial statements, reports, budgets or other relevant fiscal information.
- (h) Obligor shall retain the Equipment free of any hazardous substances as defined in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et. seq. as amended and supplemented.
- (i) Obligor hereby warrants the General Fund of the Obligor is the primary source of funds or a backup source of funds from which the Contract Payments will be made.
- (j) Obligor presently intends to continue this Contract for the Original Term and all Renewal Terms as set forth on Exhibit B hereto. The official of Obligor responsible for budget preparation will include in the budget request for each Budget Year the Contract Payments to become due in such Budget Year, and will use all reasonable and lawful means available to secure the appropriation of money for such Budget Year sufficient to pay the Contract Payments coming due therein. Obligor reasonably believes that moneys can and will lawfully be appropriated and made available for this purpose.
- (k) Obligor has selected both the Equipment and the vendor(s) from whom the Equipment is to be purchased upon its own judgment and without reliance on any manufacturer, merchant, vendor or distributor, or agent thereof, of such equipment to the public.
- (l) Obligor owns the Equipment and any additional collateral free and clear of any liens, and Obligor has not and will not, during the Contract Term, create, permit, incur or assume any levies, liens or encumbrances of any kind with respect to the Equipment or any additional collateral except those created by this Contract.
- (m) Obligor warrants, as applicable, the purchase of any telecommunications and video surveillance services or equipment financed hereunder complies with 2 CFR § 200.216 and 2 CFR § 200.471.
- (n) Obligor warrants that it understands and has complied with 2 CFR § 200.322 in relation to domestic preferences for procurements, as applicable.
- (o) The indebtedness incurred under this Contract when aggregated with existing indebtedness may not exceed the debt limits provided by applicable law under either/or the Local Government Debt Reform Act and the Illinois Municipal Code.

Section 2.02 Escrow Agreement. In the event both Obligor and Obligor mutually agree to utilize an Escrow Account, then immediately following the execution and delivery of this Contract, Obligor and Obligor agree to execute and deliver and to cause Escrow Agent to execute and deliver the Escrow Agreement. This Contract shall take effect only upon execution and delivery of the Escrow Agreement by the parties thereto. Obligor shall deposit or cause to be deposited with the Escrow Agent for credit to the Equipment Acquisition Fund the sum of N/A, which shall be held, invested and disbursed in accordance with the Escrow Agreement.

III. Acquisition of Equipment, Contract Payments and the Purchase Option Price

Section 3.01 Acquisition and Acceptance. Obligor shall be solely responsible for the ordering of the Equipment and for the delivery and installation of the Equipment. The Payment Request and Equipment Acceptance Form must be signed by the same authorized individual(s) who signed the Signature Card, Exhibit D. By making a Contract Payment after its receipt of the Equipment pursuant to this Contract, Obligor shall be deemed to have accepted the Equipment on the date of such Contract Payment for purposes of this Contract. All Contract Payments paid prior to delivery of the Payment Request and Equipment Acceptance Form shall be credited to Contract Payments as they become due as shown on the Contract Payment Schedule attached as Exhibit B hereto.

Section 3.02 Contract Payments. Obligor shall pay Contract Payments exclusively to Oblgee or its assignees in lawful, legally available money of the United States of America. The Contract Payments shall be sent to the location specified by the Oblgee or its assignees. The Contract Payments, payable without notice or demand, are due as set forth on Exhibit B. Oblgee shall have the option to charge interest at the highest lawful rate on any Contract Payment received later than the due date for the number of days that the Contract Payment(s) were late, plus any additional accrual on the outstanding balance for the number of days that the Contract Payment(s) were late. Oblgee shall also have the option, on monthly payments only, to charge a late fee of up to 10% of the monthly Contract Payment that is past due. Furthermore, Obligor agrees to pay any fees associated with the use of a payment system other than check, wire transfer, or ACH. Once all amounts due Oblgee hereunder have been received, Oblgee will release any and all of its rights, title and interest in the Equipment.

SECTION 3.03 CONTRACT PAYMENTS UNCONDITIONAL. THE OBLIGATIONS OF OBLIGOR TO MAKE CONTRACT PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS CONTAINED IN THIS CONTRACT SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF, OR SUBJECT TO DEFENSE OR COUNTERCLAIM.

Section 3.04 Purchase Option Price. Upon thirty (30) days written notice, Obligor shall have the option to pay, in addition to the Contract Payment, the corresponding Purchase Option Price which is listed on the same line on Exhibit B. This option is only available to the Obligor on the Contract Payment date and no partial prepayments are allowed. If Obligor chooses this option and pays the Purchase Option Price to Oblgee will transfer any and all of its rights, title and interest in the Equipment to Obligor.

Section 3.05 Contract Term. The Contract Term shall be the Original Term and all Renewal Terms until all the Contract Payments are paid as set forth on Exhibit B except as provided under Section 9.01 below.

Section 3.06 Disclaimer of Warranties. OBLIGEE MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR ANY OTHER WARRANTY WITH RESPECT TO THE EQUIPMENT. OBLIGEE IS NOT A MANUFACTURER, SELLER, VENDOR OR DISTRIBUTOR, OR AGENT THEREOF, OF SUCH EQUIPMENT; NOR IS OBLIGEE A MERCHANT OR IN THE BUSINESS OF DISTRIBUTING SUCH EQUIPMENT TO THE PUBLIC. OBLIGEE SHALL NOT BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE ARISING OUT OF THE INSTALLATION, OPERATION, POSSESSION, STORAGE OR USE OF THE EQUIPMENT BY OBLIGOR.

IV. Appropriation of Money

Section 4.01 Appropriation. Obligor shall be obligated to appropriate sufficient money to make all the Contract Payments for the Original Term and each successive Renewal Term as each Contract Payment comes due. If Obligor fails to make an appropriation of money to make any Contract Payment, then an Event of Default will be deemed to have occurred as set forth under Section IX below. This Contract represents a binding and enforceable promise to pay in accordance with the terms herein by the Obligor.

V. Insurance, Damage, Insufficiency of Proceeds

Section 5.01 Insurance. Obligor shall maintain both property insurance and liability insurance at its own expense with respect to the Equipment. Obligor shall be solely responsible for selecting the insurer(s) and for making all premium payments and ensuring that all policies are continuously kept in effect during the period when Obligor is required to make Contract Payments. Obligor shall provide Oblgee with a certificate of insurance which lists the Oblgee and/or assigns as a loss payee and an additional insured on the policies with respect to the Equipment.

- (a) Obligor shall insure the Equipment against any loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Oblgee in an amount at least equal to the then applicable Purchase Option Price of the Equipment. Alternatively, Obligor may insure the Equipment under a blanket insurance policy or policies.
- (b) The liability insurance shall insure Oblgee from liability and property damage in any form and amount satisfactory to Oblgee.
- (c) Obligor may self-insure against the casualty risks and liability risks described above. If Obligor chooses this option, Obligor must furnish Oblgee with a certificate and/or other documents which evidences such coverage.
- (d) All insurance policies issued or affected by this Section shall be so written or endorsed such that the Oblgee and its assignees are named additional insureds and loss payees and that all losses are payable to Obligor and Oblgee or its assignees as their interests may appear. Each policy issued or affected by this Section shall contain a provision that the insurance company shall not cancel or materially modify the policy without first giving thirty (30) days advance notice to Oblgee or its assignees. Obligor shall furnish to Oblgee certificates evidencing such coverage throughout the Contract Term.

Section 5.02 Damage to or Destruction of Equipment. Obligor assumes the risk of loss or damage to the Equipment. If the Equipment or any portion thereof is lost, stolen, damaged, or destroyed by fire or other casualty, Obligor will immediately report all such losses to all possible insurers and take the proper procedures to obtain all insurance proceeds. At the option of Oblgee, Obligor shall either (1) apply the Net Proceeds to replace, repair or restore the Equipment or (2) apply the Net Proceeds to the applicable Purchase Option Price. For purposes of this Section and Section 5.03, the term Net Proceeds shall mean the amount of insurance proceeds collected from all applicable insurance policies after deducting all expenses incurred in the collection thereof.

Section 5.03 Insufficiency of Net Proceeds. If there are no Net Proceeds for whatever reason or if the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, modification or improvement of the Equipment, then Obligor shall, at the option of Oblgee, either (1) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds or (2) apply the Net Proceeds to the Purchase Option Price and pay the deficiency, if any, to the Oblgee.

Section 5.04 Obligor Negligence. Obligor assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Equipment and for injury to or death of any person or damage to any property whether such injury or death be with respect to agents or employees of Obligor or of third parties, and whether such property damage be to Obligor's property or the property of others (including, without limitation, liabilities for loss or damage related to the release or threatened release of hazardous substances under the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act or similar or successor law or any State or local equivalent now existing or hereinafter enacted which in any manner arise out of or are incident to any possession, use, operation, condition or storage of any Equipment by Obligor), which is proximately caused by the negligent conduct of Obligor, its officers, employees and agents.

Section 5.05 Reimbursement. Obligor hereby assumes responsibility for and agrees to reimburse Oblgee for all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature, imposed on, incurred by or asserted against Oblgee that in any way relate to or arise out of a claim, suit or proceeding, based in whole or in part upon the negligent conduct of Obligor, its officers, employees and agents, or arose out of installation, operation, possession, storage or use of any item of the Equipment, to the maximum extent permitted by law.

VI. Title and Security Interest

Section 6.01 Title. Title to the Equipment shall vest in Obligor when Obligor acquires and accepts the Equipment. Title to the Equipment will automatically transfer to the Oblgee in the event Obligor defaults under Section 9.01. In such event, Obligor shall execute and deliver to Oblgee such documents as Oblgee may request to evidence the passage of legal title to the Equipment to Oblgee.

Section 6.02 Security Interest. To secure the payment of all Obligor's obligations under this Contract, as well as all other obligations, debts and liabilities, plus interest thereon, whether now existing or subsequently created, Obligor hereby grants to Oblgee a security interest under the Uniform Commercial Code constituting a first lien on the Equipment described more fully on Exhibit A. Furthermore, Obligor agrees that any other collateral securing any other obligation(s) to Oblgee, whether offered prior to or subsequent hereto, also secures this obligation. The security interest established by this section includes not only all additions, attachments, repairs and replacements to the Equipment but also all proceeds therefrom. Obligor authorizes Oblgee to prepare and record any Financing Statement required under the Uniform Commercial Code to perfect the security interest created hereunder. Obligor agrees that any Equipment listed on Exhibit A is and will remain personal property and will not be considered a fixture even if attached to real property.

VII. Assignment

Section 7.01 Assignment by Obligor. All of Obligor's rights, title and/or interest in and to this Contract may be assigned and reassigned in whole or in part to one or more assignees or sub-assignees by Obligor at any time without the consent of Obligor. No such assignment shall be effective as against Obligor until the assignor shall have filed with Obligor written notice of assignment identifying the assignee. Obligor shall pay all Contract Payments due hereunder relating to such Equipment to or at the direction of Oblgee or the assignee named in the notice of assignment. Obligor shall keep a complete and accurate record of all such assignments.

Section 7.02 Assignment by Obligor. None of Obligor's right, title and interest under this Contract and in the Equipment may be assigned by Obligor unless Oblgee approves of such assignment in writing before such assignment occurs and only after Obligor first obtains an opinion from nationally recognized counsel stating that such assignment will not jeopardize the tax-exempt status of the obligation.

VIII. Maintenance of Equipment

Section 8.01 Equipment. Obligor shall keep the Equipment in good repair and working order, and as required by manufacturer's and warranty specifications. If Equipment consists of copiers, Obligor is required to enter into a copier maintenance/service agreement. Oblgee shall have no obligation to inspect, test, service, maintain, repair or make improvements or additions to the Equipment under any circumstances. Obligor will be liable for all damage to the Equipment, other than normal wear and tear, caused by Obligor, its employees or its agents. Obligor shall pay for and obtain all permits, licenses and taxes related to the ownership, installation, operation, possession, storage or use of the Equipment. If the Equipment includes any titled vehicle(s), then

Obligor is responsible for obtaining such title(s) from the State and also for ensuring that Obligees is listed as First Lienholder on all of the title(s). Obligor shall not use the Equipment to haul, convey or transport hazardous waste as defined in the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et. seq. Obligor agrees that Obligees or its Assignee may execute any additional documents including financing statements, affidavits, notices, and similar instruments, for and on behalf of Obligor which Obligees deems necessary or appropriate to protect Obligees' interest in the Equipment and in this Contract. Obligor shall allow Obligees to examine and inspect the Equipment at all reasonable times.

IX. Default

Section 9.01 Events of Default defined. The following events shall constitute an "Event of Default" under this Contract:

- (a) Failure by Obligor to pay any Contract Payment listed on Exhibit B for fifteen (15) days after such payment is due according to the Payment Date listed on Exhibit B.
- (b) Failure to pay any other payment required to be paid under this Contract at the time specified herein and a continuation of said failure for a period of fifteen (15) days after written notice by Obligees that such payment must be made. If Obligor continues to fail to pay any payment after such period, then Obligees may, but will not be obligated to, make such payments and charge Obligor for all costs incurred plus interest at the highest lawful rate.
- (c) Failure by Obligor to observe and perform any warranty, covenant, condition, promise or duty under this Contract for a period of thirty (30) days after written notice specifying such failure is given to Obligor by Obligees, unless Obligees agrees in writing to an extension of time. Obligees will not unreasonably withhold its consent to an extension of time if corrective action is instituted by Obligor. Subsection (c) does not apply to Contract Payments and other payments discussed above.
- (d) Any statement, material omission, representation or warranty made by Obligor in or pursuant to this Contract which proves to be false, incorrect or misleading on the date when made regardless of Obligor's intent and which materially adversely affects the rights or security of Obligees under this Contract.
- (e) Any provision of this Contract which ceases to be valid for whatever reason and the loss of such provision would materially adversely affect the rights or security of Obligees.
- (f) Obligor admits in writing its inability to pay its obligations.
- (g) Obligor defaults on one or more of its other obligations.
- (h) Obligor becomes insolvent, is unable to pay its debts as they become due, makes an assignment for the benefit of creditors, applies for or consents to the appointment of a receiver, trustee, conservator, custodian, or liquidator of Obligor, or all or substantially all of its assets, or a petition for relief is filed by Obligor under federal bankruptcy, insolvency or similar laws, or is filed against Obligor and is not dismissed within thirty (30) days thereafter.

Section 9.02 Remedies on Default. Whenever any Event of Default exists, Obligees shall have the right to take one or any combination of the following remedial steps:

- (a) Obligees, with or without terminating this Contract, may collect each installment of Contract Payments as it becomes due and payable with respect to the Equipment in accordance with Exhibit B for the entire Contract Term.
- (b) Obligees, with or without terminating this Contract, may repossess any or all of the Equipment by giving Obligor written notice to deliver the Equipment to the location designated by Obligees. In the event Obligor fails to do so within ten (10) days after receipt of such notice, Obligees may enter upon Obligor's premises where the Equipment is kept and take possession of the Equipment and charge Obligor for costs incurred in repossessing the Equipment, including reasonable attorneys' fees. Obligor hereby expressly waives any damages occasioned by such repossession. If the Equipment or any portion of it has been destroyed or damaged beyond repair, Obligor shall pay the applicable Purchase Option Price of the damaged or destroyed Equipment as set forth in the Installment Payment Schedule. Notwithstanding the fact that Obligees has taken possession of the Equipment, Obligor shall continue to be responsible for the Contract Payments with respect thereto as and when such Contract Payments become or would have become due and payable.
- (c) If Obligees, in its discretion, takes possession and disposes of the Equipment or any portion thereof, Obligees shall apply the proceeds of any such disposition to pay the following items in the following order: (i) all costs (including, but not limited to, attorneys' fees) incurred in securing possession of the Equipment; (ii) all expenses incurred in completing the disposition; (iii) any sales or transfer taxes; and (iv) the balance of any Contract Payments with respect thereto as and when such installment payment would become due and payable. Any disposition proceeds remaining after the requirements of clauses (i), (ii), (iii), (iv) have been met shall be paid to Obligor.
- (d) Obligees may take any other remedy available at law or in equity with respect to an Event of Default, including (without limitation) those requiring Obligor to perform any of its obligations under this Contract or to pay any moneys due and payable to Obligees, provided Obligees shall have no right to accelerate Contract Payments or otherwise declare any Contract Payments not then in default to be immediately due and payable.

Section 9.03 No Remedy Exclusive. No remedy herein conferred upon or reserved to Obligees is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Contract now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or shall be construed to be a waiver thereof.

Section 9.04 Return of Equipment and Storage.

- (a) **Surrender:** The Obligor shall, at its own expense, surrender the Equipment, any additional collateral and all required documentation to evidence transfer of title from Obligor to the Obligees in the event of a default by delivering the Equipment and any additional collateral to the Obligees to a location accessible by common carrier and designated by Obligees. In the case that any of the Equipment and any additional collateral consists of software, Obligor shall destroy all intangible items constituting such software and shall deliver to Obligees all tangible items constituting such software. At Obligees' request, Obligor shall also certify in a form acceptable to Obligees that Obligor has complied with the above software return provisions and that they will immediately cease using the software and that they shall permit Obligees and/or the vendor of the software to inspect Obligor's locations to verify compliance with the terms hereto.
- (b) **Delivery:** The Equipment and any additional collateral shall be delivered to the location designated by the Obligees by a common carrier unless the Obligees agrees in writing that a common carrier is not needed. When the Equipment and any additional collateral is delivered into the custody of a common carrier, the Obligor shall arrange for the shipping of the item and its insurance in transit in accordance with the Obligees' instructions and at the Obligor's sole expense. Obligor at its expense shall completely sever and disconnect the Equipment and any additional collateral or its component parts from the Obligor's property all without liability to the Obligees. Obligor shall pack or crate the Equipment and any additional collateral and all of the component parts of the Equipment and any additional collateral carefully and in accordance with any recommendations of the manufacturer. The Obligor shall deliver to the Obligees the plans, specifications, operation manuals or other warranties and documents furnished by the manufacturer or vendor on the Equipment and any additional collateral and such other documents in the Obligor's possession relating to the maintenance and methods of operation of such Equipment and any additional collateral.
- (c) **Condition:** When the Equipment is surrendered to the Obligees it shall be in the condition and repair required to be maintained under this Contract. It will also meet all legal regulatory conditions necessary for the Obligees to sell or lease it to a third party and be free of all liens. If Obligees reasonably determines that the Equipment or an item of the Equipment, once it is returned, is not in the condition required hereby, Obligees may cause the repair, service, upgrade, modification or overhaul of the Equipment or an item of the Equipment to achieve such condition and upon demand, Obligor shall promptly reimburse Obligees for all amounts reasonably expended in connection with the foregoing.
- (d) **Storage:** Upon written request by the Obligees, the Obligor shall provide free storage for the Equipment and any additional collateral for a period not to exceed 60 days after the expiration of the Contract Term before returning it to the Obligees. The Obligor shall arrange for the insurance described to continue in full force and effect with respect to such item during its storage period and the Obligees shall reimburse the Obligor on demand for the incremental premium cost of providing such insurance.

X. Vendor Payable Account

Section 10.01 Establishment of Vendor Payable Account. On the date that the Obligees executed this Contract, which is on or after the date that the Obligor executes this Contract, Obligees agrees to (i) make available to Obligor an amount sufficient to pay the total Purchase Price for the Equipment by establishing a separate, non-interest bearing account (the "Vendor Payable Account"), as agent for Obligor's account, with a financial institution that Obligees selects that is acceptable to Obligor (including Obligees or any of its affiliates) and (ii) to deposit an amount equal to such Purchase Price as reflected on Exhibit B in the Vendor Payable Account. Obligor hereby further agrees to make the representations, warranties and covenants relating to the Vendor Payable Account as set forth in Exhibit C attached hereto. Upon Obligor's delivery to Obligees of a Payment Request and Equipment Acceptance Form in the form set forth in Exhibit C attached hereto, Obligor authorizes Obligees to withdraw funds from the Vendor Payable Account from time to time to pay the Purchase Price, or a portion thereof, for each item of Equipment as it is delivered to Obligor. The Payment Request and Equipment Acceptance Form must be signed by an authorized individual acting on behalf of Obligor. The authorized individual or individuals designated by the Obligor must sign the Signature Card which will be kept in the possession of the Obligees.

Section 10.02 Down Payment. Prior to the disbursement of any funds from the Vendor Payable Account, the Obligor must either (1) deposit all the down payment funds that the Obligor has committed towards the purchase of the Equipment into the Vendor Payable Account or (2) Obligor must provide written verification to the satisfaction of the Obligees that all the down payment funds Obligor has committed towards the purchase of the Equipment have already been spent or are simultaneously being spent with the funds requested from the initial Payment Request and Equipment Acceptance Form. For purposes of this Section, the down payment funds committed towards the Equipment from the Obligor are the down payment funds that were represented to the Obligees at the time this transaction was submitted for credit approval by the Obligor to the Obligees.

Section 10.03 Disbursement upon Default. If an event of default occurs prior to the Partial Prepayment Date, the amount then on deposit in the Vendor Payable Account shall be retained by the Obligees and Obligor will have no interest therein.

Section 10.04 Surplus Amount. Any Surplus Amount then on deposit in the Vendor Payable Account on the Partial Prepayment Date shall be applied to pay on such Partial Prepayment Date a portion of the Purchase Option Price then applicable.

Section 10.05 Recalculation of Contract Payments. Upon payment of a portion of the Purchase Option Price as provided in Section 10.04 above, each Contract Payment thereafter shall be reduced by an amount calculated by Obligees based upon a fraction the numerator of which is the Surplus Amount and the denominator of which is the Purchase Option Price on such Partial Prepayment Date. Within 15 days after such Partial Prepayment Date, Obligees shall provide to Obligor a revised Exhibit B to this Contract, which shall take into account such payment of a portion of the Purchase Option Price thereafter and shall be and become thereafter Exhibit B to this Contract. Notwithstanding any other provision of this Section 10, this Contract shall remain in full force and effect with respect to all or the portion of the Equipment accepted by Obligor as provided in this Contract, and the portion of the principal component of Contract Payments

remaining unpaid after the Partial Prepayment Date plus accrued interest thereon shall remain payable in accordance with the terms of this Contract, including revised Exhibit B hereto which shall be binding and conclusive upon Obligor and Obligor.

XI. Miscellaneous

Section 11.01 Notices. All notices shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at their respective places of business as first set forth herein or as the parties shall designate hereafter in writing.

Section 11.02 Binding Effect. Obligor acknowledges this Contract is not binding upon the Obligor or its assignees unless the Conditions to Funding listed on the Documentation Instructions have been met to Obligor's satisfaction, and Obligor has executed the Contract. Thereafter, this Contract shall inure to the benefit of and shall be binding upon Obligor and Obligor and their respective successors and assigns.

Section 11.03 Severability. In the event any provision of this Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.04 Amendments, Addenda, Changes or Modifications. This Contract may be amended, added to, changed or modified by written agreement duly executed by Obligor and Obligor. Furthermore, Obligor reserves the right to directly charge or amortize into the remaining balance due from Obligor, a reasonable fee, to be determined at that time, as compensation to Obligor for the additional administrative expense resulting from such amendment, addenda, change or modification requested by Obligor.

Section 11.05 Execution in Counterparts. This Contract may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.06 Captions. The captions or headings in this Contract do not define, limit or describe the scope or intent of any provisions or sections of this Contract.

Section 11.07 Master Contract. This Contract can be utilized as a Master Contract. This means that the Obligor and the Obligor may agree to the financing of additional Equipment under this Contract at some point in the future by executing one or more Additional Schedules to Exhibit A and Exhibit B, as well as other exhibits or documents that may be required by Obligor. Additional Schedules will be consecutively numbered on each of the exhibits which make up the Additional Schedule and all the terms and conditions of the Contract shall govern each Additional Schedule.

Section 11.08 Entire Writing. This Contract constitutes the entire writing between Obligor and Obligor. No waiver, consent, modification or change of terms of this Contract shall bind either party unless in writing and signed by both parties, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, representations, conditions, or warranties, express or implied, which are not specified herein regarding this Contract, the Equipment or any additional collateral, financed hereunder. Any terms and conditions of any purchase order or other documents submitted by Obligor in connection with this Contract which are in addition to or inconsistent with the terms and conditions of this Contract will not be binding on Obligor and will not apply to this Contract.

Section 11.09 Designation as Qualified Tax-Exempt Obligation. Pursuant to Section 265(b)(3)(B)(i) of the Internal Revenue Code of 1986 as amended (the "Code"), the Obligor hereby specifically designates the Contract as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code. In compliance with Section 265(b)(3)(D) of the Code, the Obligor hereby represents that the Obligor will not designate more than \$10,000,000 of obligations issued by the Obligor in the calendar year during which the Contract is executed and delivered as such "qualified tax-exempt obligations". In compliance with the requirements of Section 265(b)(3)(C) of the Code, the Obligor hereby represents that the Obligor (including all subordinate entities of the Obligor within the meaning of Section 265(b)(3)(E) of the Code) reasonably anticipates not to issue in the calendar year during which the Contract is executed and delivered, obligations bearing interest exempt from federal income taxation under Section 103 of the Code (other than "private activity bonds" as defined in Section 141 of the Code) in an amount greater than \$10,000,000.

Section 11.10 Acceptance of Obligation to Commence Contract Payments Under Exhibit B. By signing and attesting directly below, Obligor hereby warrants and certifies that: The Equipment described on Exhibit A has not been delivered, installed or available for use as of the Commencement date of this Contract. Obligor acknowledges that Obligor has agreed to deposit into a Vendor Payable Account an amount sufficient to pay the total purchase price (the "Purchase Price") for the Equipment so identified in such Exhibit A; The principal amount of the Contract Payments in the Exhibit B accurately reflects the Purchase Price; Obligor agrees to execute a Payment Request and Equipment Acceptance Form authorizing payment of the Purchase Price, or portion thereof, for each withdrawal of funds from the Vendor Payable Account.


Section 11.11 Obligor further warrants and certifies that: Obligor's obligation to commence Contract Payments as set forth in Exhibit B is absolute and unconditional as of the Commencement Date and on each date set forth in Exhibit B thereafter, subject to the terms and conditions of the Contract; Immediately upon delivery and acceptance of all the Equipment, Obligor will notify Obligor of Obligor's final acceptance of the Equipment by delivering to Obligor the Payment Request and Equipment Acceptance Form in the form set forth in Exhibit C attached to the Contract; In the event that any Surplus Amount is on deposit in the Vendor Payable Account when an event of default under the Contract occurs, then those amounts shall be applied as provided in Section 10 of the Contract; regardless of whether Obligor delivers a final Payment Request and Equipment Acceptance Form, all Contract Payments paid prior to delivery of all the Equipment shall be credited to Contract Payments as they become due under the Contract as set forth in Exhibit B.

Section 11.12 Resolution and Authorization. By signing and attesting directly below, Obligor hereby warrants and certifies that the Governing Body of the Obligor at either a special or regular meeting or through some other approved method of authorization has determined that this Contract is in the best interests of the Obligor and the Governing Body did at such meeting or through some other approval method approve the entering into of the Contract by the Obligor and specifically designated and authorized the individual(s) who have signed directly below to execute this Contract on Obligor's behalf along with any related documents (including any Escrow Agreement) necessary to the consummation of the transaction contemplated by the Contract.

Obligor and Obligor have caused this Contract to be executed in their names by their duly authorized representatives listed below.

Meridian Community Unit School District No. 223

Lease Servicing Center, Inc. dba NCL Government Capital


Signature
J. Caposny / Superintendent
Printed Name and Title

Signature

Printed Name and Title

Meridian Community Unit School District No. 223

Attested By Authorized Individual:

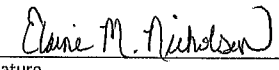

Signature
Elaine M. Nicholson District Secretary
Printed Name and Title

EXHIBIT B

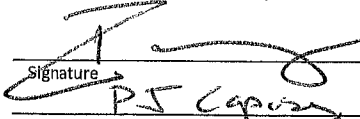
PAYMENT SCHEDULE

RE: Government Obligation Contract dated as of April 8, 2022, between Lease Servicing Center, Inc. dba NCL Government Capital (Obligee) and Meridian Community Unit School District No. 223 (Obligor)

Date of First Payment: August 8, 2022
 Original Balance: \$68,170.68
 Total Number of Payments: Five (5)
 Number of Payments Per Year: One (1)

| Pmt No. | Due Date | Contract Payment | Applied to Interest | Applied to Principal | *Purchase Option Price |
|---------|-----------|------------------|---------------------|----------------------|------------------------|
| 1 | 08-Aug-22 | \$15,014.32 | \$988.40 | \$14,025.92 | \$56,688.18 |
| 2 | 08-Aug-23 | \$15,014.32 | \$2,316.51 | \$12,697.81 | \$43,006.03 |
| 3 | 08-Aug-24 | \$15,014.32 | \$1,773.25 | \$13,241.07 | \$29,002.35 |
| 4 | 08-Aug-25 | \$15,014.32 | \$1,206.75 | \$13,807.57 | \$14,669.59 |
| 5 | 08-Aug-26 | \$15,014.32 | \$616.01 | \$14,398.31 | \$0.00 |

Meridian Community Unit School District No. 223

Signature 
 Printed Name and Title P.J. Caproni / Superintendent

*Assumes all Contract Payments due to date are paid

Please list the Source of Funds (Fund Item in Budget) for the Contract Payments that come due under Exhibit B of this Contract.

Source of Funds : General Fund

DOCUMENTATION INSTRUCTIONS

The instructions listed below should be followed when completing the enclosed documentation. **Please sign in blue ink and print on single sided paper only.** Documentation completed improperly will delay funding. If you have any questions regarding the Conditions to Funding, instructions or the documentation, please call us at (320) 763-7600.

I. Attached Documentation

1. Government Obligation Contract

- ◆ An authorized individual that is with the Obligor should sign on the first space provided. **All original signatures are required for funding.**
- ◆ A second authorized individual that is with the Obligor should attest the previous signature on the space provided.

2. Exhibit A – Description of Equipment

- ◆ Review equipment description. Complete serial number/VIN if applicable.
- ◆ List the location where the equipment will be located after delivery/installation.

3. Exhibit B – Payment Schedule

- ◆ Sign and print name and title

4. Exhibit C - Payment Request & Equipment Acceptance Form

- ◆ Do Not Return until you need to request funds from the Vendor Payable Account.

5. Exhibit D - Signature Card

- ◆ Sign and print name and title
- ◆ An additional individual may sign as an authorized individual, if desired.

6. Exhibit E - Obligor Acknowledgement

- ◆ Complete information as indicated.

7. Insurance Requirements

- ◆ Complete insurance company contact information where indicated.

8. Debit Authorization – (Preferred)

- ◆ Complete form and attach a voided check

II. Condition to Funding

If, for any reason: (i) the required documentation is not returned by July 14, 2022, is incomplete, or has unresolved issues relating thereto, or (ii) on, or prior to the return of the documentation, there is a change of circumstance, including but not limited to changes in the federal corporate income tax rate or reducing/capping the tax-exempt interest benefit, which adversely affects the expectations, rights or security of the Obligee or its assignees; then Obligee or its assignees reserve the right to withdraw/void its offer to fund this transaction in its entirety. *Neither Lease Servicing Center, Inc. dba NCL Government Capital AOIA is acting as an advisor to the municipal entity/obligated person and neither owes a fiduciary duty pursuant to Section 15B of the Exchange Act of 1934.*

All documentation should be returned to:
 Lease Servicing Center, Inc. dba NCL Government Capital
 220 22nd Avenue East, Suite 106
 Alexandria, Minnesota 56308

EXHIBIT A

DESCRIPTION OF EQUIPMENT

RE: Government Obligation Contract dated as of April 8, 2022, between Lease Servicing Center, Inc. dba NCL Government Capital (Obligee) and Meridian Community Unit School District No. 223 (Obligor)

Below is a detailed description of all the items of Equipment including quantity, model number and serial number where applicable:

One (1) Bobcat Toolcat UW56 M1225 Tractor with Hydraulic Dump Box and 74" Light Material Bucket

Physical Address of Equipment after Delivery : 207 W. Main St. Stillman Valley, IL 61084

EXHIBIT C

PAYMENT REQUEST AND EQUIPMENT ACCEPTANCE FORM

RE: Government Obligation Contract dated as of April 8, 2022, between Lease Servicing Center, Inc. dba NCL Government Capital (Obligee) and Meridian Community Unit School District No. 223 (Obligor)

In accordance with Section 10.01, by executing this Payment Request and Equipment Acceptance Form the Obligor hereby represents that the Payee or Payees listed below who are requesting payment have delivered the Equipment or a portion of the Equipment or performed the services to the satisfaction of the Obligor and that the amounts requested below by the Payee or Payees are proportionate with the value of the Equipment delivered or services rendered by the Payee or Payees. The Obligor hereby represents and warrants for all purposes that:

1. Pursuant to the invoice attached hereto, the amount to be disbursed is \$ 15,014.32 and this amount is consistent with the Contract between Obligor and vendor.
2. Payment is to be made to: Payee: NCL Government Capital
3. The undersigned certifies that the following documents are attached to this Payment Request and Equipment Acceptance Form when there is a request for a release of funds from the Vendor Payable Account to pay for a portion, or all, of the Equipment: (1) Invoice from the vendor, (2) copy of the Contract between Obligor and vendor (if requested by the Obligee), (3) Insurance Certificate (if applicable), (4) front and back copy of the original MSO/Title listing Lease Servicing Center, Inc. dba NCL Government Capital and/or its assigns as the first lien holder (if applicable). By executing this Payment Request and Equipment Acceptance Form and attaching the documents as required above, the Obligor shall be deemed to have accepted this portion of the Equipment for all purposes under the Contract, including, without limitation, the obligation of Obligor to make the Contract Payments with respect thereto in a proportionate amount of the total Contract Payment.
4. No amount listed in this exhibit was included in any such exhibit previously submitted.
5. Each disbursement hereby requested has been incurred and is a proper charge against the Vendor Payable Account. No amount hereby requested to be disbursed will be paid to Obligor as reimbursement for any expenditure paid by Obligor more than 60 days prior to the date of execution and delivery of the Contract.
6. The Equipment referenced in the attached has been delivered, installed, inspected and tested as necessary and in accordance with Obligor's specifications and accepted for all purposes.
7. That Obligor is or will be the title owner to the Equipment referenced in the attached, and that in the event that any third party makes a claim to such title that Obligor will take all measures necessary to secure title including, without limitation, the appropriation of additional funds to secure title to such Equipment, or a portion thereof, and keep the Contract in full force and effect. Furthermore, Obligor has obtained insurance coverage as required under the Contract from an insurer qualified to do business in the State.
8. Obligor has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Contract Payments required to be paid under the Contract during the current Budget Year of Obligor, and such moneys will be applied in payment of all Contract Payments due and payable during such current Budget Year.
9. No event or condition that constitutes or would constitute an Event of Default exists as of the date hereof.

I, the undersigned, hereby certify that I am a duly qualified representative of Obligor and that I have been given the authority by the governing body of Obligor to sign this Payment Request and Equipment Acceptance Form.

Please forward this document and any correspondence relating to vendor payment to:

Email: jklimek@lscfinancial.com

Please call (320) 763-7600 if you have any questions.

Meridian Community Unit School District No. 223

Signature

Printed Name and Title

PS Capony - Superintendent


EXHIBIT D

SIGNATURE CARD

RE: Government Obligation Contract dated as of April 8, 2022, between Lease Servicing Center, Inc. dba NCL Government Capital (Obligee) and Meridian Community Unit School District No. 223 (Obligor)

The below signatures will be used for purposes of verifying the signature on a Payment Request and Equipment Acceptance Form prior to making payments from the Equipment Acquisition Fund or Vendor Payable Account. By signing below, the undersigned represents and warrants that s/he has received all appropriate authority from Meridian Community Unit School District No. 223.

Meridian Community Unit School District No. 223


Signature
PS Capesay / Superintendent
Printed Name and Title

Signature of additional authorized individual (optional) of Obligor

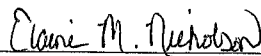

Signature
Elaine M. Nicholson District Secretary
Printed Name and Title

EXHIBIT E

OBLIGOR ACKNOWLEDGEMENT

RE: Government Obligation Contract dated as of April 8, 2022, between Lease Servicing Center, Inc. dba NCL Government Capital (Obligee) and Meridian Community Unit School District No. 223 (Obligor)

Obligor hereby acknowledges that it has ordered or caused to be ordered the equipment that is the subject of the above-mentioned Contract.

Please complete the below information, attach another page if necessary

Vendor Name: Bobcat of Rockford, 5925 Wheeler Rd, North Cherry Valley, IL 61016
Equipment: Bobcat UWS6
Cost of Equipment: \$ 68,170.68

Vendor Name: _____
Equipment: _____
Cost of Equipment: _____

Vendor Name: _____
Equipment: _____
Cost of Equipment: _____

Vendor Name: _____
Equipment: _____
Cost of Equipment: _____

Vendor Name: _____
Equipment: _____
Cost of Equipment: _____

Obligor will immediately notify Obligee if any of the information listed above is changed.

INSURANCE REQUIREMENTS

Pursuant to Article V of the Government Obligation Contract, you have agreed to provide us evidence of insurance covering the Equipment.

A Certificate of Insurance listing the information stated below should be sent to us no later than the date on which the equipment is delivered.

Insured:

Meridian Community Unit School District No. 223
207 West Main Street
Stillman Valley, Illinois 61084

Certificate Holder:

Lease Servicing Center, Inc. dba NCL Government Capital
220 22nd Avenue East, Suite 106
Alexandria, Minnesota 56308

1. Equipment Description

- ◆ One (1) Bobcat Toolcat UW56 M1225 Tractor with Hydraulic Dump Box and 74" Light Material Bucket
- ◆ Please include all applicable VIN's, serial numbers, etc.

2. Deductible

- ◆ The deductible amounts on the insurance policy should not exceed \$20,000.00.

3. Physical Damage

- ◆ All risk coverage to guarantee proceeds of at least \$68,170.68.

4. Liability

- ◆ Minimum Combined Single Limit of \$1,000,000.00 on bodily injury and property damage.

5. Additional Insured and Loss Payee

- ◆ Lease Servicing Center, Inc. dba NCL Government Capital AOIA (and/or Its Assigns) MUST be listed as additional insured and loss payee.

Please forward certificate as soon as possible to: Email: jklimek@lscfinancial.com

Please complete the information below and return this form along with the Contract.

Meridian Community Unit School District No. 223

Insurance Company: Gallagher

Agent's Name: Tyler Mackenzie

Telephone #: 630-694-5165

Fax #: 630-285-4062

Address: 2850 Golf Rd

City, State Zip: Rolling Meadows, IL 60008

Email: Tyler_Mackenzie@ajg.com

PREFERRED

*As an additional payment option for Obligor, we are now providing the option of ACH (Automatic Clearing House). By completing this form, Obligor is authorizing Obligee to withdraw said payment amount on said date.

DEBIT AUTHORIZATION

I hereby authorize Lease Servicing Center, Inc. dba NCL Government Capital AOIA to initiate debit entries for the Payment Amount (including, but not limited to, any late fees, rate changes, escrow modifications, etc.). I acknowledge that Lease Servicing Center, Inc. dba NCL Government Capital AOIA may reinstate returned entries up to two additional times, to the account indicated below at the financial institution named below and to debit the same to such account for:

| | | |
|--|---|--|
| Contract Number 3360188 | Payment Amount \$15,014.32 | Frequency of Payments Annual |
| Beginning Month _____ Year _____ | Day of Month Debits will be made according to Exhibit B of the Contract | |

I acknowledge that the origination of ACH transactions to this account must comply with the provisions of U.S. law.

| | | | |
|-----------------------------------|-------------|-----------------------|------------|
| Financial Institution Name | | Branch | |
| Address | City | State | Zip |
| Routing Number | | Account Number | |

Type of Account

☐ Checking

☐ Savings

If the account does not have sufficient funds, Lease Servicing Center, Inc. dba NCL Government Capital AOIA may attempt, but shall have no obligation to continue to attempt to deduct the payment from the account. If the account has insufficient funds when Lease Servicing Center, Inc. dba NCL Government Capital AOIA attempts to deduct a payment, Lease Servicing Center, Inc. dba NCL Government Capital AOIA may terminate the automatic deduction of payments upon notice to borrower and me. Until such time as payment is made, borrower shall be responsible to make such payments, and all other payments that may be due to Lease Servicing Center, Inc. dba NCL Government Capital AOIA regarding the above-referenced loan.

This authority is to remain in full force and effect until Lease Servicing Center, Inc. dba NCL Government Capital AOIA has received written notification from any authorized signer of the account of its termination in such time and manner as to afford Lease Servicing Center, Inc. dba NCL Government Capital AOIA a reasonable opportunity to act on it.

| | |
|--|-------------------------------|
| Obligor Name on Contract Meridian Community Unit School District No. 223 | |
| Signature | Printed Name and Title |
| Tax ID Number 36-2695263 | Date |

PLEASE ATTACH COPY OF A VOIDED CHECK TO THIS FORM!

USA Patriot Act

USA Patriot Act requires identity verification for all new accounts. This means that we may require information from you to allow us to make a proper identification.

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

► Under Internal Revenue Code section 149(e)

OMB No. 1545-0720

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

Part I Reporting AuthorityCheck box if Amended Return ☐

1 Issuer's name

Meridian Community Unit School District No. 223

3 Number and street (or P.O. box if mail is not delivered to street address)

207 West Main Street

4 City, town, or post office, state, and ZIP code

Stillman Valley, IL 61084

6 Name and title of officer or other employee of issuer or designated contact person whom the IRS may call for more information

Kenny Lamer - Director Buildings and Grounds

2 Issuer's employer identification number (EIN)

3 6 2 6 9 5 2 6 3

Room/suite

5 Report number (For IRS Use Only)

7 Telephone number of officer or legal representative

630-546-9663**Part II Description of Obligations** Check one: a single issue ☐ or a consolidated return ☐

8a Issue price of obligation(s) (see instructions)

8a 68,170 68b Issue date (single issue) or calendar date (consolidated). Enter date in mm/dd/yyyy format (for example, 01/01/2009) (see instructions) ► **4/8/2022**

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 68,170 68

e For bank loans for vehicles

9e

f For bank loans for office equipment

9f

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

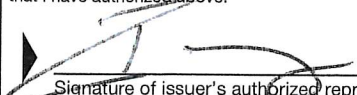
j Representing a loan from the proceeds of another tax-exempt obligation (for example, bond bank)

9j

k Other

9k10 If the issuer has designated any issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check this box ☐11 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check this box (see instructions) ☐12 Vendor's or bank's name: **Lease Servicing Center, Inc. dba NCL Government Capital**13 Vendor's or bank's employer identification number: **4 1 1 9 7 9 9 2 4****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.



Signature of issuer's authorized representative

3-14-22

Date

PS Caposey / Superintendent

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.

General Instructions

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

What's NewThe IRS has created a page on IRS.gov for information about the Form 8038 series and its instructions, at 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.

When To File

To file a separate return for a single issue, file Form 8038-GC on or before the 15th day of the second calendar month after the close of the calendar quarter in which the issue is issued.

To file a consolidated return for multiple issues, file Form 8038-GC on or before February 15th of the calendar year following the year in which the issue is issued.

Late filing. An issuer may be granted an extension of time to file Form 8038-GC under section 3 of Rev. Proc. 2002-48, 2002-37 I.R.B. 531, if it is determined that the failure to file on time is not due to willful neglect. Type or print at the top of the form, "Request for Relief under section 3 of Rev. Proc. 2002-48." Attach to the Form 8038-GC a letter briefly stating why the form was not submitted to the IRS on time. Also indicate whether the obligation in question is under examination by the IRS. Do not submit copies of any bond documents, leases, or installment sale documents. See *Where To File* next.

Where To File

File Form 8038-GC, and any attachments, with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201.

Private delivery services. You can use certain private delivery services designated by the IRS to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. These private delivery services include only the following:

- DHL Express (DHL): DHL Same Day Service.
- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First.
- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

The private delivery service can tell you how to get written proof of the mailing date.

Other Forms That May Be Required

For rebating arbitrage (or paying a penalty in lieu of arbitrage rebate) to the Federal Government, use Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate. For private activity bonds, use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.

For a tax-exempt governmental obligation with an issue price of \$100,000 or more, use Form 8038-G.

Rounding to Whole Dollars

You may show the money items on this return as whole-dollar amounts. To do so, drop any amount less than 50 cents and increase any amount from 50 to 99 cents to the next higher dollar.

Definitions

Obligations. This refers to a single tax-exempt governmental obligation if Form 8038-GC is used for separate reporting or to

multiple tax-exempt governmental obligations if the form is used for consolidated reporting.

Tax-exempt obligation. This is any obligation including a bond, installment purchase agreement, or financial lease, on which the interest is excluded from income under section 103.

Tax-exempt governmental obligation. A tax-exempt obligation that is not a private activity bond (see below) is a tax-exempt governmental obligation. This includes a bond issued by a qualified volunteer fire department under section 150(e).

Private activity bond. This includes an obligation issued as part of an issue in which:

- More than 10% of the proceeds are to be used for any private activity business use, and
- More than 10% of the payment of principal or interest of the issue is either (a) secured by an interest in property to be used for a private business use (or payments for such property) or (b) to be derived from payments for property (or borrowed money) used for a private business use.

It also includes a bond, the proceeds of which (a) are to be used to make or finance loans (other than loans described in section 141(c)(2)) to persons other than governmental units and (b) exceeds the lesser of 5% of the proceeds or \$5 million.

Issue. Generally, obligations are treated as part of the same issue only if they are issued by the same issuer, on the same date, and as part of a single transaction, or a series of related transactions. However, obligations issued during the same calendar year (a) under a loan agreement under which amounts are to be advanced periodically (a "draw-down loan") or (b) with a term not exceeding 270 days, may be treated as part of the same issue if the obligations are equally and ratably secured under a single indenture or loan agreement and are issued under a common financing arrangement (for example, under the same official statement periodically updated to reflect changing factual circumstances). Also, for obligations issued under a draw-down loan that meets the requirements of the preceding sentence, obligations issued during different calendar years may be treated as part of the same issue if all of the amounts to be advanced under the draw-down loan are reasonably expected to be advanced within 3 years of the date of issue of the first obligation. Likewise, obligations (other than private activity bonds) issued under a single agreement that is in the form of a lease or installment sale may be treated as part of the same issue if all of the property covered by that agreement is reasonably expected to be delivered within 3 years of the date of issue of the first obligation.

Arbitrage rebate. Generally, interest on a state or local bond is not tax-exempt unless the issuer of the bond rebates to the United States arbitrage profits earned from investing proceeds of the bond in higher yielding nonpurpose investments. See section 148(f).

Construction issue. This is an issue of tax-exempt bonds that meets both of the following conditions:

1. At least 75% of the available construction proceeds of the issue are to be used for construction expenditures with respect to property to be owned by a governmental unit or a 501(c)(3) organization, and

2. All of the bonds that are part of the issue are qualified 501(c)(3) bonds, bonds that are not private activity bonds, or private activity bonds issued to finance property to be owned by a governmental unit or a 501(c)(3) organization.

In lieu of rebating any arbitrage that may be owed to the United States, the issuer of a construction issue may make an irrevocable election to pay a penalty. The penalty is equal to 1-1/2% of the amount of construction proceeds that do not meet certain spending requirements. See section 148(f)(4)(C) and the Instructions for Form 8038-T.

Specific Instructions

In general, a Form 8038-GC must be completed on the basis of available information and reasonable expectations as of the date of issue. However, forms that are filed on a consolidated basis may be completed on the basis of information readily available to the issuer at the close of the calendar year to which the form relates, supplemented by estimates made in good faith.

Part I—Reporting Authority

Amended return. An issuer may file an amended return to change or add to the information reported on a previously filed return for the same date of issue. If you are filing to correct errors or change a previously filed return, check the "Amended Return" box in the heading of the form.

The amended return must provide all the information reported on the original return, in addition to the new corrected information. Attach an explanation of the reason for the amended return and write across the top "Amended Return Explanation."

Line 1. The issuer's name is the name of the entity issuing the obligations, not the name of the entity receiving the benefit of the financing. In the case of a lease or installment sale, the issuer is the lessee or purchaser.

Line 2. An issuer that does not have an employer identification number (EIN) should apply for one on Form SS-4, Application for Employer Identification Number. You can get this form on the IRS website at IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676). You may receive an EIN by telephone by following the instructions for Form SS-4.

Lines 3 and 4. Enter the issuer's address or the address of the designated contact person listed on line 6. If the issuer wishes to use its own address and the issuer receives its mail in care of a third party authorized representative (such as an accountant or attorney), enter on the street address line "C/O" followed by the third party's name and street address or P.O. box. Include the suite, room, or other unit number after the street address. If the post office does not deliver mail to the street address and the issuer has a P.O. box, show the box number instead of the

street address. If a change in address occurs after the return is filed, use Form 8822, Change of Address, to notify the IRS of the new address.

Note. The address entered on lines 3 and 4 is the address the IRS will use for all written communications regarding the processing of this return, including any notices. By authorizing a person other than an authorized officer or other employee of the issuer to communicate with the IRS and whom the IRS may contact about this return, the issuer authorizes the IRS to communicate directly with the individual listed on line 6, whose address is entered on lines 3 and 4 and consents to disclose the issuer's return information to that individual, as necessary, to process this return.

Line 5. This line is for IRS use only. Do not make any entries in this box.

Part II—Description of Obligations

Check the appropriate box designating this as a return on a single issue basis or a consolidated return basis.

Line 8a. The issue price of obligations is generally determined under Regulations section 1.148-1(b). Thus, when issued for cash, the issue price is the price at which a substantial amount of the obligations are sold to the public. To determine the issue price of an obligation issued for property, see sections 1273 and 1274 and the related regulations.

Line 8b. For a single issue, enter the date of issue (for example, 03/15/2010 for a single issue issued on March 15, 2010), generally the date on which the issuer physically exchanges the bonds that are part of the issue for the underwriter's (or other purchaser's) funds; for a lease or installment sale, enter the date interest starts to accrue. For issues reported on a consolidated basis, enter the first day of the calendar year during which the obligations were issued (for example, for calendar year 2010, enter 01/01/2010).

Lines 9a through 9h. Complete this section if property other than cash is exchanged for the obligation, for example, acquiring a police car, a fire truck, or telephone equipment through a series of monthly payments. (This type of obligation is sometimes referred to as a "municipal lease.") Also complete this section if real property is directly acquired in exchange for an obligation to make periodic payments of interest and principal.

Do not complete lines 9a through 9d if the proceeds of an obligation are received in the form of cash even if the term "lease" is used in the title of the issue. For lines 9a through 9d, enter the amount on the appropriate line that represents a lease or installment purchase. For line 9d, enter the type of item that is leased. For lines 9e through 9h, enter the amount on the appropriate line that represents a bank loan. For line 9h, enter the type of bank loan.

Lines 9i and 9j. For line 9i, enter the amount of the proceeds that will be used to pay principal, interest, or call premium on any other issue of bonds, including proceeds that will be used to fund an escrow account for this purpose. Several lines may apply to a particular obligation. For example, report on lines 9i and 9j obligations used to refund prior issues which represent loans from the proceeds of another tax-exempt obligation.

Line 9k. Enter on line 9k the amount on line 8a that does not represent an obligation described on lines 9a through 9j.

Line 10. Check this box if the issuer has designated any issue as a "small issuer exception" under section 265(b)(3)(B)(i)(III).

Line 11. Check this box if the issue is a construction issue and an irrevocable election to pay a penalty in lieu of arbitrage rebate has been made on or before the date the bonds were issued. The penalty is payable with a Form 8038-T for each 6-month period after the date the bonds are issued. Do not make any payment of penalty in lieu of rebate with Form 8038-GC. See Rev. Proc. 92-22, 1992-1 C.B. 736, for rules regarding the "election document."

Line 12. Enter the name of the vendor or bank who is a party to the installment purchase agreement, loan, or financial lease. If there are multiple vendors or banks, the issuer should attach a schedule.

Line 13. Enter the employer identification number of the vendor or bank who is a party to the installment purchase agreement, loan, or financial lease. If there are multiple vendors or banks, the issuer should attach a schedule.

Signature and Consent

An authorized representative of the issuer must sign Form 8038-GC and any applicable certification. Also print the name and title of the person signing Form 8038-GC. The authorized representative of the issuer signing this form must have the authority to consent to the disclosure of the issuer's return information, as necessary to process this return, to the person(s) that has been designated in this form.

Note. If the issuer authorizes in line 6 the IRS to communicate with a person other than an officer or other employee of the issuer, (such authorization shall include contact both in writing regardless of the address entered in lines 3 and 4, and by telephone) by signing this form, the issuer's authorized representative consents to the disclosure of the issuer's return information, as necessary to process this return, to such person.

Paid Preparer

If an authorized representative of the issuer filled in its return, the paid preparer's space should remain blank. Anyone who prepares the return but does not charge the organization should not sign the return. Certain others who prepare the return should not sign. For example, a regular, full-time employee of the issuer, such as a clerk, secretary, etc., should not sign.

Generally, anyone who is paid to prepare a return must sign it and fill in the other blanks in the *Paid Preparer Use Only* area of the return. A paid preparer cannot use a social security number in the *Paid Preparer Use Only* box. The paid preparer must use a preparer tax identification number (PTIN). If the paid preparer is self-employed, the preparer should enter his or her address in the box.

The paid preparer must:

- Sign the return in the space provided for the preparer's signature, and
- Give a copy of the return to the issuer.

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Learning about the law or the form 4 hr., 46 min.

Preparing the form 2 hr., 22 min.

Copying, assembling, and sending the form to the IRS . 2 hr., 34 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:M:S, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see *Where To File*.

Verify that all of your Illinois Sales Tax Exemption Certificate information is correct

- ✓ If not, contact us immediately.
- ✓ **Do not discard** - your Illinois Sales Tax Exemption Certificate is an important tax document that authorizes you to purchase tangible personal property for use or consumption tax-free.

OFFICIAL DOCUMENT State of Illinois - Department of Revenue OFFICIAL DOCUMENT

Illinois Sales Tax Exemption Certificate

MERIDIAN C U SCHOOL DISTRICT 223

207 W MAIN ST
STILLMAN VALLEY IL 61084-9037

Sales Tax Exemption Certificate

| | | |
|--------------------------------|---------------------|--------------|
| Issue date: 02/10/2020 | Sales Tax Exemption | E99940892 |
| Expiration date: 03/01/2025 | Organization type: | Governmental |

This entity is authorized under the Retailers' Occupation Tax Act to purchase tangible personal property for use or consumption tax-free.



Director

OFFICIAL DOCUMENT - DO NOT DESTROY



MERIDIAN
SCHOOL DISTRICT #223

Meridian Community Unit School District 223

Phone: (815) 645-2230 • Fax: (815) 645-4325

www.meridian223.org

March 17, 2022

Name, title, and contact information for person answering these questions:

Dr. PJ Caposey
Superintendent
pcaposey@mail.meridian223.org
815-980-0310

You understand that you have (5) annual payments of \$15,014.32 and they start on August 8, 2022 with the last payment being made on August 8, 2026?

Yes.

You understand that payments are due on or before the due date and that there is no grace period? (We do send invoices 45-60 days prior to the due date to help prevent late payments.)

Yes.

When is your fiscal year end?

June 30

Do you want your invoices mailed or emailed? (Email is preferred)
What address?

Emailed
pcaposey@mail.meridian223.org
mortgiesen@mail.meridian223.org
enicholson@mail.meridian223.org



Bobcat

Product Quotation

Quotation Number: HMM-28388

Date: 2022-02-08 17:06:43

| Customer Name/Address: | Bobcat Delivering Dealer | ORDER TO BE PLACED WITH: Contract Holder/Manufacturer |
|--|---|--|
| MERIDAN COMM UNIT SCHOOL DIST 207 W MAIN ST STILLMAN VALLEY, IL 61084 | Bobcat of Rockford, Cherry Valley, IL 5925 WHEELER ROAD NORTH CHERRY VALLEY IL 61016 Phone: (815) 332-8300 Fax: (815) 332-8310 | Clark Equipment Co dba Bobcat Company 250 E Beaton Dr, West Fargo, ND 58078 Phone: 701-241-8719 Fax: 855-608-0681 Contact: Heather Messmer Heather.Messmer@doosan.com |

| Description | Part No | Qty | Price Ea. | Total |
|--|---|--|---|---|
| Bobcat UW56 Adjustable Vinyl Seats All-Wheel Steer Automatically Activated Glow Plugs Auxiliary Hydraulics <ul style="list-style-type: none"> Variable Flow with dual direction detent Beverage Holders Bob-Tach Boom Float Cargo Box Support Cruise Control Speed Management Enclosed Cab with HVAC Dual Port USB charger Lower Engine Guard Limited Slip Transaxle Engine and Hydraulic Monitor with Shutdown Front LED Work Lights Full-time Four-Wheel Drive Horsepower Management <ul style="list-style-type: none"> Roll Over Protective Structure (ROPS) . Meets Requirements of SAE-J1040 & ISO 3471 Falling Object Protective Structure (FOPS) . Meets Requirements of SAE-J1043 & ISO3449, Level I Dome Light | M1225 | 1 | \$52,220.80 | \$52,220.80 |
| Hydraulic Dump Box Instrumentation: Standard 5" Display with Keyless Start, Engine Temperature and Fuel Gauges, Hour meter, RPM and Warning Indicators. Includes maintenance interval notification, fault display, job codes, quick start, and security lockouts. Joystick, Manually Controlled with Lift Arm Float Lift Arm Support Parking Brake, automatic Power Steering with Tilt Steering Wheel Radiator Screen Rear Receiver Hitch Seat Belts, Shoulder Harness Spark Arrestor Muffler Suspension, 4-wheel independent Tires: 27 x 10.5-15 (8 ply), Lug Tread Toolcat Interlock Control System (TICS) Two-Speed Transmission Machine Warranty: 12 Months, unlimited hours Bobcat Engine Warranty: Additional 12 Months or total of 2000 hours after initial 12 month warranty | | | | |
| Deluxe Road Package Deluxe Road Package includes: Backup Alarm, Turn Signals, Flashers, Tail Lights, Brake Lights, Rear view mirror, Side Mirrors, Horn, Rear work lights, and headlights | M1225-P01-C01 | 1 | \$2,316.00 | \$2,316.00 |
| High Flow Package 29 X 12.5 Turf Tires Heavy Duty Battery Attachment Control Power Bob-Tach Radio Option Traction Control Rearview Camera Engine Block Heater Interior Trim 29 X 10.5-15, 8 PR, Trac Tire Assembly - Right | M1225-R03-C02 M1225-R05-C05 M1225-R07-C02 M1225-R08-C02 M1225-R14-C03 M1225-R15-C02 M1225-R16-C02 M1225-R20-C01 M1225-A01-C02 M1225-A01-C04 7115156 | 1 1 1 1 1 1 1 1 1 2 | \$1,388.80 \$628.80 \$77.60 \$188.80 \$879.20 \$426.40 \$436.00 \$288.00 \$104.00 \$164.00 \$485.00 | \$1,388.80 \$628.80 \$77.60 \$188.80 \$879.20 \$426.40 \$436.00 \$288.00 \$104.00 \$164.00 \$970.00 |

29 X 10.5-15, 8 PR, Trac Tire Assembly - Left
74" Light Material Bucket

7115152
7279101

| | | |
|---|------------|------------|
| 2 | \$485.00 | \$970.00 |
| 1 | \$1,199.28 | \$1,199.28 |

| | |
|---------------------------------------|-------------|
| Total of Items Quoted | \$62,257.68 |
| Dealer P.D.I. | \$150.00 |
| Freight Charges | \$1,337.00 |
| Dealer Assembly Charges | \$0.00 |
| Other Charges: Material and Logistics | \$4,426.00 |
| Quote Total - US dollars | \$68,170.68 |

Notes:

**Prices per the Sourcwell Contract #040319-CEC.*

**Terms Net 60 Days. Credit cards accepted.*

**FOB Destination*

**State Sales Taxes apply. IF Tax Exempt, please include Tax Exempt Certificate with order.*

**TID# 38-0425350*

****Orders Must Be Placed with: Clark Equipment Company dba Bobcat Company, Govt Sales, 250 E Beaton Drive, West Fargo, ND 58078.***

**Quote valid for 30 days*

ORDER ACCEPTED BY:

SIGNATURE

DATE

PRINT NAME AND TITLE

PURCHASE ORDER NUMBER

DELIVERY ADDRESS: _____

BILLING ADDRESS (if different than Ship To): _____

TAX EXEMPT? _____ YES _____ NO

Exempt in the State of _____

Tax Exempt ID:

FEDERAL - _____

STATE - _____

Expiration Date: _____