

NOV 25 2019

Approved

REQUEST FOR AGENDA PLACEMENT FORM

Submission Deadline - Tuesday, 12:00 PM before Court Dates

SUBMITTED BY: Carla Hester

TODAY'S DATE: 11-19-19

DEPARTMENT: IT Department

SIGNATURE OF DEPARTMENT HEAD:

REQUESTED AGENDA DATE: November 25, 2019

SPECIFIC AGENDA WORDING: Consideration for Approval and to give Judge authorization to sign Government Obligation Contract and associated financing documents to contract with Lease Servicing Center, Inc. dba National Cooperative Leasing for acquisition and financing of Mitel Phone System through Lease Servicing Center, Inc. dba National Cooperative Leasing.

PERSON(S) TO PRESENT ITEM: Dan Milam – IT Director

SUPPORT MATERIAL: (Must enclose supporting documentation)

TIME: 5 min.	ACTION ITEM: <u> x </u>
	WORKSHOP _____
(Anticipated number of minutes needed to discuss item)	CONSENT: _____
	EXECUTIVE: _____

STAFF NOTICE:

COUNTY ATTORNEY: x	IT DEPARTMENT: x
AUDITOR: <u> x </u>	PURCHASING DEPARTMENT: <u> x </u>
PERSONNEL: _____	PUBLIC WORKS: _____
BUDGET COORDINATOR: x	OTHER: _____

*****This Section to be Completed by County Judge's Office*****

ASSIGNED AGENDA DATE: _____

REQUEST RECEIVED BY COUNTY JUDGE'S OFFICE _____

COURT MEMBER APPROVAL _____ Date _____



220 22nd Avenue East, Suite 106, Alexandria, MN 56308 • Phone: 320-763-7600 • Fax: 320-763-9600

Johnson County, Texas
2 North Main Street, Room 321
Cleburne, TX 76033

Ms. Hester,

Enclosed you will find lease purchase documentation for the Mitel Phone System. Please have the authorized individual review, sign, and date all the enclosed documents.

Two sets of original documents are enclosed, please return one original set to my attention via email scan and USPS mail.

Please return the following items to my attention:

- ▣ Government Obligation Contract
- ▣ Exhibit A – Description of Equipment
- ▣ Exhibit B – Payment Schedule
- ▣ Exhibit C – Acceptance of Obligation to Commence Contract
- ▣ Exhibit D – Obligor Resolution
- ▣ Exhibit E – Officer's Certificate
- ▣ Exhibit F – Payment Request and Equipment Acceptance Form
- ▣ Exhibit G – Signature Card
- ▣ Exhibit H – Obligor Acknowledgement
- ▣ Exhibit I – Bank Qualified Certificate (if bank qualified)
- ▣ Insurance Requirements
- ▣ Debit Authorization – (Preferred)
- ▣ IRS 8038-G
- ▣ Copy of Sales Tax Exemption certificate – please provide if applicable

Include in the return documentation a check in the amount of **\$250.00** made payable to Lease Servicing Center, Inc. dba National Cooperative Leasing. This is your one-time documentation fee of \$250.00

Please call me at 320-763-7600 with any questions you may have and thank you for your business. We hope to continue to work with your agency for many years to come. Please let us know if we can be of any assistance in the future!

Sincerely,

Katie Vangness

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.**
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 - Acceptance of Obligation**
 - ◆ Sign and print name and title
5. **Exhibit D - Obligor Resolution**
 - ◆ Type in the date of the meeting in which the purchase was approved.
 - ◆ Print or type the name and title of the individual(s) who is authorized to execute the Contract.
 - ◆ The secretary, chairman or other authorized board member of the Obligor must sign the Resolution where indicated.
 - ◆ A second authorized individual that is with the Obligor should attest the Resolution where indicated.
6. **Exhibit E - Officer's Certificate**
 - ◆ Sign and print name and title
 - ◆ Please list the Source of Funds for the Contract Payments.
7. **Exhibit F - Payment Request & Equipment Acceptance Form**
 - ◆ Do Not Return until you need to request funds from the Vendor Payable Account.
8. **Exhibit G - Signature Card**
 - ◆ Sign and print name and title
 - ◆ An additional individual may sign as an authorized individual, if desired.
9. **Exhibit H - Obligor Acknowledgement**
 - ◆ Complete information as indicated.
10. **Exhibit I - Bank Qualified Certificate**
 - ◆ Sign and print name and title
11. **Insurance Requirements**
 - ◆ Complete insurance company contact information where indicated.
12. **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 December 8, 2019, 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. *Lease Servicing Center, Inc. dba National Cooperative Leasing 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 National Cooperative Leasing
 220 22nd Avenue, Suite 106
 Alexandria, Minnesota 53608

GOVERNMENT OBLIGATION CONTRACT

Obligor

Johnson County, Texas
2 North Main Street, Room 321
Cleburne, Texas 76033

Obligee

Lease Servicing Center, Inc. dba National Cooperative Leasing
220 22nd Avenue East, Suite 106
Alexandria, Minnesota 56308

Dated as of October 21, 2019

This Government Obligation Contract dated as of the date listed above is between Obligee and Obligor listed directly above. Obligee desires to finance the purchase of the Equipment described in Exhibit A to Obligor and Obligor desires to have Obligee 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 Obligee 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 Obligee 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 Obligee or any of its assignees.

"Obligor" means the entity listed above as Obligor and which is financing the Equipment through Obligee 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 Obligee 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 Obligee 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 Obligee or its assignees so as to bring the after tax yield on this Contract to the same level as the Obligee or its assignees would attain if the transaction continued to be tax-exempt.
- (f) In the event that the Internal Revenue Code of 1986, as currently amended (the "Code"), should be further amended or replaced: (i) to reduce corporate and/or individual income tax rates or (ii) to reduce or eliminate the extent to which the interest portion of the Contract Payments is excludable from gross income, then, at the written request of Obligee or its assigns, Obligor shall pay to Obligee or its assigns with each Contract Payment payable after the effective date of such amendment or replacement such additional amount as necessary to bring the after tax yield on each such Contract Payment to the same effective rate that Obligee or its assigns would have received had there occurred no such amendment to or replacement of the Code. Notwithstanding any other provision of this Agreement, Obligor shall have the right to exercise its option to purchase the Equipment pursuant to Section 3.04 hereof on the effective date of any such amendment or replacement.
- (g) Obligor has never non-appropriated funds under a contract similar to this Contract.
- (h) Obligor will submit to the Secretary of the Treasury an information reporting statement as required by the Code.
- (i) Upon request by Obligee, Obligor will provide Obligee with current financial statements, reports, budgets or other relevant fiscal information.
- (j) 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.
- (k) 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.
- (l) 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.
- (m) 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.
- (n) 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.

Section 2.02 Escrow Agreement. In the event both Obligee and Obligor mutually agree to utilize an Escrow Account, then immediately following the execution and delivery of this Contract, Obligee 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. Obligee 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 G. 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 Obligees 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 Obligees or its assignees. The Contract Payments shall constitute a current expense of the Obligor and shall not constitute an indebtedness of the Obligor. The Contract Payments, payable without notice or demand, are due as set forth on Exhibit B. Obligees 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. Obligees 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 Obligees hereunder have been received, Obligees will release any and all of its rights, title and interest in the Equipment.

SECTION 3.03 CONTRACT PAYMENTS UNCONDITIONAL. Except as provided under Section 4.01, 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 Obligees then Obligees 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 4.01 and Section 9.01 below. If, after the end of the budgeting process which occurs at the end of the Original Term or any Renewal Term, Obligor has not non-appropriated as provided for in this Contract then the Contract Term shall be extended into the next Renewal Term and the Obligor shall be obligated to make all the Contract Payments that come due during such Renewal Term.

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. Non-Appropriation

Section 4.01 Non-Appropriation. If insufficient funds are available in Obligor's budget for the next Budget Year to make the Contract Payments for the next Renewal Term and the funds to make such Contract Payments are otherwise unavailable, then Obligor may non-appropriate the funds to pay the Contract Payments for the next Renewal Term. If Obligor non-appropriates, then all obligations of the Obligor under this Contract regarding Contract Payments for all remaining Renewal Terms shall be terminated at the end of the then current Original Term or Renewal Term without penalty or liability to the Obligor of any kind provided that if Obligor has not delivered possession of the Equipment to Obligees as provided herein and conveyed to Obligees or released its interest in the Equipment by the end of the last Budget Year for which Contract Payments were paid, the termination shall nevertheless be effective but Obligor shall be responsible for an amount equal to the amount of the Contract Payments thereafter coming due under Exhibit B which are attributable to the number of days after such Budget Year during which Obligor fails to take such actions. Obligor shall immediately notify the Obligees as soon as the decision to non-appropriate is made. If such non-appropriation occurs, then Obligor shall deliver the Equipment to Obligees as provided below in Section 9.04. Obligor shall be liable for all damage to the Equipment other than normal wear and tear. If Obligor fails to deliver the Equipment to Obligees, then Obligees may enter the premises where the Equipment is located and take possession of the Equipment and charge Obligor for costs incurred.

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 Obligees with a certificate of insurance which lists the Obligees 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 Obligees 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 Obligees from liability and property damage in any form and amount satisfactory to Obligees.
- (c) Obligor may self-insure against the casualty risks and liability risks described above. If Obligor chooses this option, Obligor must furnish Obligees 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 Obligees and its assignees are named additional insureds and loss payees and that all losses are payable to Obligor and Obligees 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 Obligees or its assignees. Obligor shall furnish to Obligees 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 Obligees, 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 Obligees, 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 Obligees.

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 Obligees 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 Obligees 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 Obligees in the event Obligor non-appropriates under Section 4.01 or in the event Obligor defaults under Section 9.01. In such event, Obligor shall execute and deliver to Obligees such documents as Obligees may request to evidence the passage of legal title to the Equipment to Obligees.

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 Obligees 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 Obligees, 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 Obligees 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 Obligees. All of Obligees' 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 Obligees 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 Obligees 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 Obligees approve 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. Obligees 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) Except as provided in Section 4.01 above, 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) With or without terminating this Contract, Obligees may declare all Contract Payments and other amounts payable by Obligor hereunder to the end of the then current Budget Year to be immediately due and payable.
- (b) With or without terminating this Contract, Obligees may require Obligor at Obligor's expense to redeliver any or all of the Equipment and any additional collateral to Obligees as provided below in Section 9.04. Such delivery shall take place within fifteen (15) days after the Event of Default occurs. If Obligor fails to deliver the Equipment and any additional collateral, Obligees may enter the premises where the Equipment and any additional collateral is located and take possession of the Equipment and any additional collateral and charge Obligor for costs incurred. Notwithstanding that Obligees has taken possession of the Equipment and any additional collateral, Obligor shall still be obligated to pay the remaining Contract Payments due up until the end of the then current Original Term or Renewal Term. Obligor will be liable for any damage to the Equipment and any additional collateral caused by Obligor or its employees or agents.
- (c) Obligees may take whatever action at law or in equity that may appear necessary or desirable to enforce its rights. Obligor shall be responsible to Obligees for all costs incurred by Obligees in the enforcement of its rights under this Contract including, but not limited to, reasonable attorney fees.

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 or a non-appropriation 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 F 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 Non-Appropriation or Default. If an event of non-appropriation or 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 Obligee 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, Obligee 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 Obligee 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 Obligee or its assignees unless the Conditions to Funding listed on the Documentation Instructions have been met to Obligee's satisfaction, and Obligee has executed the Contract. Thereafter, this Contract shall inure to the benefit of and shall be binding upon Obligee 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 Obligee and Obligor. Furthermore, Obligee 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 Obligee 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 Obligee 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 Obligee. 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 Obligee 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 Obligee and will not apply to this Contract.

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

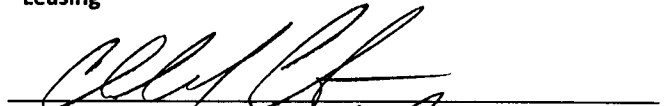
Johnson County, Texas

Lease Servicing Center, Inc. dba National Cooperative Leasing



Signature
Roger Harmon - County Judge

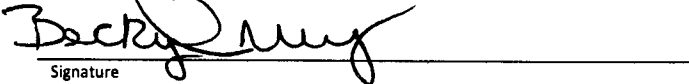
Printed Name and Title



Signature
Christopher J. Combs

Printed Name and Title

Attested By Authorized Individual:



Signature
Becky Ivey - County Clerk

Printed Name and Title

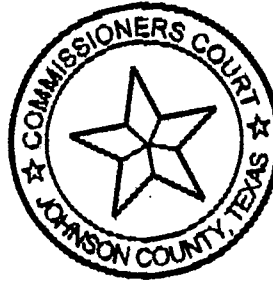


EXHIBIT A

DESCRIPTION OF EQUIPMENT

RE: Government Obligation Contract dated as of October 21, 2019, between Lease Servicing Center, Inc. dba National Cooperative Leasing (Obligee) and Johnson County, Texas (Obligor)

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

Mitel Phones, Please See Attached Exhibit A-1, Page 1-3 for Details

Physical Address of Equipment after Delivery :

LN. Main

Room 209

Cleburne, Tx 76033

Exhibit A-1

Page 1

End User Line Item Pricing Report

Currency USD
 Partner MITEL US BRANCH OFFICES (MITEL US BRANCH OFFICES)
 ID J7sObknJtPf9yd_xiYUeXg-01
 Report Created 13-Sep-2019 06:29:32 CEST
 Quote Created 13-Sep-2019 06:27:01 CEST

Public Sector Competitive Discount is based on the entire quote and subject to change if the contents are adjusted.

This quote is based on the Mitel Texas DIR contract# DIR-TSO-4355 and Purchase Orders resulting from this quote should be written to Mitel Business Systems, Inc. directly per the ordering instructions below.

Contract information is available at:
<https://dir.texas.gov/View-Search/Contracts-Detail.aspx?contractnumber=DIR-TSO-4355>

This quote is good for 90 days from date on file and must renewed thereafter.

End Customer Information

Address United States of America

Shipping Address
 MXe III Memory Upgrade

Part No.	Description	Qty	List	Ext List	% Cust Disc	Cust Price	Ext List
Mitel parts Catalogue							
50006727	MXe III & CX/i III, 1GB RAM Mod Upgrade	1	300.00	300.00	38.00	186.00	186.00
53003568	Installation Svcs-Standard Pkg	780	1.00	780.00	0.00	1.00	780.00
Write-In Components							
NOTE	Upgrade ALL software to the latest release and test	1	0.00	0.00	0.00	0.00	0.00
Total					1,080.00	10.56	966.00

MICC Reporting

Part No.	Description	Qty	List	Ext List	% Cust Disc	Cust Price	Ext List
Licences							
54006798	MiVoice Business Reporter Starter Pack	1	3,400.00	3,400.00	38.00	2,108.00	2,108.00
54006799	MiVoice Business Reporter Extension x50	15	300.00	4,500.00	38.00	186.00	2,790.00
Mitel parts Catalogue							
53003376	MICC Installation Services	4,400	1.00	4,400.00	0.00	1.00	4,400.00
Professional Services							
53003460	MICC Business Reporter RLL	1	1,799.00	1,799.00	0.00	1,799.00	1,799.00
Software Assurance							
54006934	CC Premium 24/7 Software Assurance	5,037	1.00	5,037.00	38.00	0.62	3,122.94
Total					19,136.00	25.69	14,219.94

New 6900 Series Phones

Part No.	Description	Qty	List	Ext List	% Cust Disc	Cust Price	Ext List
Accessories							
50006874	M695 PKM	7	200.00	1,400.00	38.00	124.00	868.00
50006921	6900/6800 Wall Mount Kit (10 Pack)	6	250.00	1,500.00	38.00	155.00	930.00
IP Phones							
50006769	6930 IP Phone	707	410.00	289,870.00	38.00	254.20	179,719.40
50006770	6940 IP Phone	15	550.00	8,250.00	38.00	341.00	5,115.00
Licences							
54004975	MiVoice Bus License - Enterprise User	127	175.00	22,225.00	38.00	108.50	13,779.50
Services Fees							
53000245	IMPLEMENTATION & INTEGRATION	16	275.00	4,400.00	0.00	275.00	4,400.00
53003568	Installation Svcs-Standard Pkg	40,277	1.00	40,277.00	0.00	1.00	40,277.00
53003571	Project Mgmt Add-on	7,623	1.00	7,623.00	0.00	1.00	7,623.00
Software Assurance							
54007854	SWA Prem 5y MiVBus User	127	61.00	7,747.00	38.00	37.82	4,803.14
Terminals							

Exhibit A-1

Page 2

50005663	5302/5304 Wall Mount Kit(16 Pack)	1	100.00	100.00	38.00	62.00	62.00
50008271	6970 IP Conference Phone	1	825.00	825.00	38.00	511.50	511.50
51011571	5304 IP Phone	13	170.00	2,210.00	38.00	105.40	1,370.20
51303911	RFP 12 Single Cell Base Station (NA)	6	140.00	840.00	0.00	140.00	840.00
51303913	112 DECT Phone, Universal (w/Charger)	6	160.00	960.00	0.00	160.00	960.00
51303922	RFP 12 Repeater 12 Slot	2	250.00	500.00	0.00	250.00	500.00
51306580	BT Speakerphone	3	325.00	975.00	0.00	325.00	975.00

Total 389,702.00 32.58 262,733.74

SWAS

Part No.	Description	Qty	List	Ext List	% Cust Disc	Cust Price	Ext List
Write-In Components							
SW_ASSUR	Premium SWAS coverage for 5 years	1	55,898.00	55,898.00	0.00	55,898.00	55,898.00
Total					55,898.00	0.00	55,898.00

Training

Part No.	Description	Qty	List	Ext List	% Cust Disc	Cust Price	Ext List
Mitel parts Catalogue							
53000254	END-USER TRAINING (SP)	24	195.00	4,680.00	0.00	195.00	4,680.00
53000975	Project Coordination (hours)	20	195.00	3,900.00	0.00	195.00	3,900.00
53002937	Nupoint Unified Mess Sys Admin SS	1	799.00	799.00	0.00	799.00	799.00
53003568	Installation Svcs-Standard Pkg	3,120	1.00	3,120.00	0.00	1.00	3,120.00
53003799	MVB System Admin Self-Study	1	995.00	995.00	0.00	995.00	995.00
53003857	MiCollab Sys Admin SS	1	549.00	549.00	0.00	549.00	549.00
Total					14,043.00	0.00	14,043.00

U-Maintenance/Repurposed Equip

Part No.	Description	Qty	List	Ext List	% Cust Disc	Cust Price	Ext List
53000462	Full Support Agreement	161,571	1.00	161,571.00	0.00	1.00	161,571.00
Write-In Components							
JOHNSON01	Existing 5304 IP Phones	13	0.00	0.00	0.00	0.00	0.00
JOHNSON02	Existing MiVoice Conference Unit	1	0.00	0.00	0.00	0.00	0.00
Total					161,571.00	0.00	161,571.00

UCC Basic to Standard Uplift

Part No.	Description	Qty	List	Ext List	% Cust Disc	Cust Price	Ext List
Mitel parts Catalogue							
52002959	UCCv4.0 Basic to STND for Enterprise	722	165.00	119,130.00	38.00	102.30	73,860.60
53003568	Installation Svcs-Standard Pkg	3,120	1.00	3,120.00	0.00	1.00	3,120.00
54008343	SWA Prem 5y UCC Bsc-Std MiVB	722	74.00	53,428.00	38.00	45.88	33,125.36
54008780	MiTeam Uplift - MiVB	15	82.00	1,230.00	38.00	50.84	762.60
Total					176,908.00	37.33	110,868.56

Grand Total

Grand Total 818,338.00 24.20 620,300.24
 Public Sector Discount 37,963.40
 Grand Total with Public Sector Discount 582,336.84

Public Sector Competitive Discount is based on the entire quote and subject to change if the contents are adjusted.

This quote is based on the Mitel Texas DIR contract# DIR-TSO-4355 and Purchase Orders resulting from this quote should be written to Mitel Business Systems, Inc. directly per the ordering instructions below.

Contract information is available at:
<https://dir.texas.gov/View-Search/Contracts-Detail.aspx?contractnumber=DIR-TSO-4355>

This quote is good for 90 days from date on file and must renewed thereafter.

Purchase Order or Mitel Govt Credit Card Order Form can be faxed to **703-904-0568**
or emailed to USGovernmentSales@mitel.com

The PO should be made out to:
Mitel Business Systems, Inc.
1146 North Alma School Rd.
Mesa, AZ 85201

★PLEASE NOTE OUR SEPARATE REMIT TO ADDRESS★:

Mitel Business Systems, Inc.
PO Box 52688
Phoenix, AZ 85072-2688

★PLEASE DO NOT SEND PAYMENT TO THE MESA ADDRESS★

Please note the following order requirements:

- * Prime TX DIR Contract# DIR-TSO-4355 must be referenced on the PO
- * Terms of Net/30
- * A copy of the Mitel quote must accompany the order
- * Shipping and billing instructions
- * Requested delivery dates

First time placing an order with us?

We will need to set up a new customer account and will require the following information:

- * Full Legal Name and Invoice/Billing Address
- * Main Phone and Fax numbers
- * Point of Contact Info for the Accounts Payable dept (Name, Title, Email, Phone and Fax number)
- * If Tax Exempt, a copy of the Tax Exemption Certificate must be provided

S - Part has a suggested retail price

EXHIBIT B
PAYMENT SCHEDULE

RE: Government Obligation Contract dated as of October 21, 2019, between Lease Servicing Center, Inc. dba National Cooperative Leasing (Obligee) and Johnson County, Texas (Obligor)

Date of First Payment:	January 21, 2020
Original Balance:	\$582,336.84
Total Number of Payments:	Sixty (60)
Number of Payments Per Year:	Twelve (12)

Pmt No.	Due Date	Contract Payment	Applied to Interest	Applied to Principal	*Purchase Option Price
1	21-Jan-20	\$10,998.15	\$6,884.52	\$4,113.63	Not Available
2	21-Feb-20	\$10,998.15	\$2,269.71	\$8,728.44	Not Available
3	21-Mar-20	\$10,998.15	\$2,235.45	\$8,762.70	Not Available
4	21-Apr-20	\$10,998.15	\$2,201.05	\$8,797.10	\$578,332.94
5	21-May-20	\$10,998.15	\$2,166.52	\$8,831.63	\$568,626.40
6	21-Jun-20	\$10,998.15	\$2,131.85	\$8,866.30	\$558,898.18
7	21-Jul-20	\$10,998.15	\$2,097.05	\$8,901.10	\$549,148.24
8	21-Aug-20	\$10,998.15	\$2,062.11	\$8,936.04	\$539,376.52
9	21-Sep-20	\$10,998.15	\$2,027.03	\$8,971.12	\$529,582.98
10	21-Oct-20	\$10,998.15	\$1,991.82	\$9,006.33	\$519,767.57
11	21-Nov-20	\$10,998.15	\$1,956.47	\$9,041.68	\$509,930.23
12	21-Dec-20	\$10,998.15	\$1,920.97	\$9,077.18	\$500,070.92
13	21-Jan-21	\$10,998.15	\$1,885.34	\$9,112.81	\$490,189.60
14	21-Feb-21	\$10,998.15	\$1,849.57	\$9,148.58	\$480,286.21
15	21-Mar-21	\$10,998.15	\$1,813.66	\$9,184.49	\$470,360.70
16	21-Apr-21	\$10,998.15	\$1,777.61	\$9,220.54	\$460,413.02
17	21-May-21	\$10,998.15	\$1,741.42	\$9,256.73	\$450,443.13
18	21-Jun-21	\$10,998.15	\$1,705.08	\$9,293.07	\$440,450.97
19	21-Jul-21	\$10,998.15	\$1,668.60	\$9,329.55	\$430,436.49
20	21-Aug-21	\$10,998.15	\$1,631.98	\$9,366.17	\$420,399.65
21	21-Sep-21	\$10,998.15	\$1,595.22	\$9,402.93	\$410,340.39
22	21-Oct-21	\$10,998.15	\$1,558.31	\$9,439.84	\$400,258.67
23	21-Nov-21	\$10,998.15	\$1,521.25	\$9,476.90	\$390,154.43
24	21-Dec-21	\$10,998.15	\$1,484.05	\$9,514.10	\$380,027.62
25	21-Jan-22	\$10,998.15	\$1,446.71	\$9,551.44	\$369,878.20
26	21-Feb-22	\$10,998.15	\$1,409.21	\$9,588.94	\$359,706.11
27	21-Mar-22	\$10,998.15	\$1,371.57	\$9,626.58	\$349,511.30
28	21-Apr-22	\$10,998.15	\$1,333.79	\$9,664.36	\$339,293.73
29	21-May-22	\$10,998.15	\$1,295.85	\$9,702.30	\$329,053.34
30	21-Jun-22	\$10,998.15	\$1,257.77	\$9,740.38	\$318,790.08
31	21-Jul-22	\$10,998.15	\$1,219.53	\$9,778.62	\$308,503.89
32	21-Aug-22	\$10,998.15	\$1,181.15	\$9,817.00	\$298,194.73
33	21-Sep-22	\$10,998.15	\$1,142.61	\$9,855.54	\$287,862.55
34	21-Oct-22	\$10,998.15	\$1,103.93	\$9,894.22	\$277,507.29
35	21-Nov-22	\$10,998.15	\$1,065.09	\$9,933.06	\$267,128.91
36	21-Dec-22	\$10,998.15	\$1,026.10	\$9,972.05	\$256,727.35

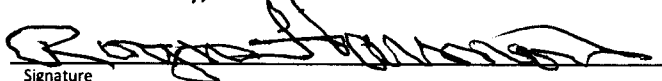
EXHIBIT B - CONTINUED

PAYMENT SCHEDULE

RE: Government Obligation Contract dated as of October 21, 2019, between Lease Servicing Center, Inc. dba National Cooperative Leasing (Obligee) and Johnson County, Texas (Obligor)

Pmt No.	Due Date	Contract Payment	Applied to Interest	Applied to Principal	*Purchase Option Price
37	21-Jan-23	\$10,998.15	\$986.96	\$10,011.19	\$246,302.56
38	21-Feb-23	\$10,998.15	\$947.66	\$10,050.49	\$235,854.49
39	21-Mar-23	\$10,998.15	\$908.21	\$10,089.94	\$225,383.08
40	21-Apr-23	\$10,998.15	\$868.60	\$10,129.55	\$214,888.29
41	21-May-23	\$10,998.15	\$828.84	\$10,169.31	\$204,370.06
42	21-Jun-23	\$10,998.15	\$788.92	\$10,209.23	\$193,828.34
43	21-Jul-23	\$10,998.15	\$748.85	\$10,249.30	\$183,263.07
44	21-Aug-23	\$10,998.15	\$708.62	\$10,289.53	\$172,674.21
45	21-Sep-23	\$10,998.15	\$668.23	\$10,329.92	\$162,061.70
46	21-Oct-23	\$10,998.15	\$627.68	\$10,370.47	\$151,425.49
47	21-Nov-23	\$10,998.15	\$586.97	\$10,411.18	\$140,765.52
48	21-Dec-23	\$10,998.15	\$546.10	\$10,452.05	\$130,081.75
49	21-Jan-24	\$10,998.15	\$505.08	\$10,493.07	\$119,374.12
50	21-Feb-24	\$10,998.15	\$463.89	\$10,534.26	\$108,642.57
51	21-Mar-24	\$10,998.15	\$422.54	\$10,575.61	\$97,887.06
52	21-Apr-24	\$10,998.15	\$381.02	\$10,617.13	\$87,107.52
53	21-May-24	\$10,998.15	\$339.35	\$10,658.80	\$76,303.91
54	21-Jun-24	\$10,998.15	\$297.51	\$10,700.64	\$65,476.17
55	21-Jul-24	\$10,998.15	\$255.51	\$10,742.64	\$54,624.25
56	21-Aug-24	\$10,998.15	\$213.34	\$10,784.81	\$43,748.09
57	21-Sep-24	\$10,998.15	\$171.00	\$10,827.15	\$32,847.64
58	21-Oct-24	\$10,998.15	\$128.50	\$10,869.65	\$21,922.85
59	21-Nov-24	\$10,998.15	\$85.84	\$10,912.31	\$10,973.66
60	21-Dec-24	\$10,998.15	\$42.99	\$10,955.16	\$0.00

Johnson County, Texas



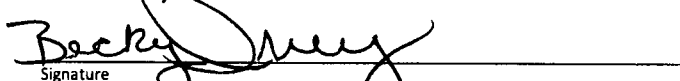
Signature

Roger Harmon - County Judge

Printed Name and Title

*Assumes all Contract Payments due to date are paid

Attested By Authorized Individual:



Signature

Becky Ivey - County Clerk

Printed Name and Title



EXHIBIT C

ACCEPTANCE OF OBLIGATION
TO COMMENCE CONTRACT PAYMENTS UNDER EXHIBIT B

RE: Government Obligation Contract dated as of October 21, 2019, between Lease Servicing Center, Inc. dba National Cooperative Leasing (Obligee) and Johnson County, Texas (Obligor)

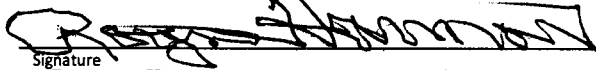
I, the undersigned, hereby certify that I am a duly qualified representative of Obligor and that I have been given the authority by the governing body of Obligor to sign this Acceptance of Obligation to commence Contract Payments with respect to the above referenced Contract. I hereby certify that:

1. The Equipment described on Exhibit A has not been delivered, installed or available for use as of the Commencement date of this Contract.
2. Obligor acknowledges that Obligee 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;
3. The principal amount of the Contract Payments in the Exhibit B accurately reflects the Purchase Price;
4. Obligor agrees to execute a Payment Request and Equipment Acceptance Form authorizing payment of the Purchase Price, or a portion thereof, for each withdrawal of funds from the Vendor Payable Account.

Notwithstanding that the Equipment has not been delivered to or accepted by Obligor on the date of execution of the Contract, Obligor hereby warrants that:

- (a) 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;
- (b) immediately upon delivery and acceptance of all the Equipment, Obligor will notify Obligee of Obligor's final acceptance of the Equipment by delivering to Obligee the "Payment Request and Equipment Acceptance Form" in the form set forth in Exhibit F attached to the Contract;
- (c) in the event that any Surplus Amount is on deposit in the Vendor Payable Account when an event of non-appropriation or default under the Contract occurs, then those amounts shall be applied as provided in Section 10 of the Contract;
- (d) 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.


Johnson County, Texas



 Signature
 Roger Harmon - County Judge

 Printed Name and Title

Attested By Authorized Individual:



 Signature
 Becky Ivey - County Clerk

 Printed Name and Title



EXHIBIT D
OBLIGOR RESOLUTION

RE: Government Obligation Contract dated as of October 21, 2019, between Lease Servicing Center, Inc. dba National Cooperative Leasing (Obligee) and Johnson County, Texas (Obligor)

At a duly called meeting of the Governing Body of the Obligor (as defined in the Contract) held on 11/25/2019 the following resolution was introduced and adopted:

BE IT RESOLVED by the Governing Body of Obligor as follows:

- Determination of Need.** The Governing Body of Obligor has determined that a true and very real need exists for the acquisition of the Equipment described on Exhibit A of the Government Obligation Contract dated as of October 21, 2019, between Johnson County, Texas (Obligor) and Lease Servicing Center, Inc. dba National Cooperative Leasing (Obligee).
- Approval and Authorization.** The Governing Body of Obligor has determined that the Contract, substantially in the form presented to this meeting, is in the best interests of the Obligor for the acquisition of such Equipment, and the Governing Body hereby approves the entering into of the Contract by the Obligor and hereby designates and authorizes the following person(s) to execute and deliver the Contract on Obligor's behalf with such changes thereto as such person(s) deem(s) appropriate, and any related documents, including any Escrow Agreement, necessary to the consummation of the transaction contemplated by the Contract.

Authorized Individual(s): Roger Harmon - County Judge
(Typed or Printed Name and Title of individual(s) authorized to execute the Contract)

- Adoption of Resolution.** The signatures below from the designated individuals from the Governing Body of the Obligor evidence the adoption by the Governing Body of this Resolution.

Signature: [Handwritten Signature]
(Signature of Secretary, Board Chairman or other member of the Governing Body)

Printed Name & Title: Roger Harmon - County Judge
(Printed Name and Title of individual who signed directly above)

Attested By: [Handwritten Signature]
(Signature of one additional person who can witness the passage of this Resolution)

Printed Name & Title: Becky Ivey - County Clerk
(Printed Name of individual who signed directly above)



EXHIBIT E
OFFICER'S CERTIFICATE

RE: Government Obligation Contract dated as of October 21, 2019, between Lease Servicing Center, Inc. dba National Cooperative Leasing (Obligee) and Johnson County, Texas (Obligor)

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 Officer's Certificate with respect to the above referenced Contract. I hereby certify that:

1. 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.
2. Obligor has obtained insurance coverage as required under the Contract from an insurer qualified to do business in the State.
3. No event or condition that constitutes or would constitute an Event of Default exists as of the date hereof.
4. The governing body of Obligor has approved the authorization, execution and delivery of this Contract on its behalf by the authorized representative of Obligor who signed the Contract.
5. 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

By signing below, Obligor hereby authorizes the General Fund of the Obligor as a backup source of funds from which the Contract Payments can be made.

Johnson County, Texas

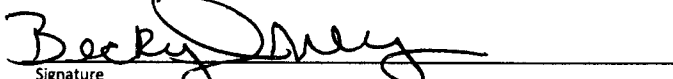


Signature

Roger Harmon - County Judge

Printed Name and Title

Attested By Authorized Individual:



Signature

Becky Ivey - County Clerk

Printed Name and Title



EXHIBIT F

PAYMENT REQUEST AND EQUIPMENT ACCEPTANCE FORM

RE: Government Obligation Contract dated as of October 21, 2019, between Lease Servicing Center, Inc. dba National Cooperative Leasing (Obligee) and Johnson County, Texas (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 \$ _____ and this amount is consistent with the Contract between Obligor and vendor.
2. Payment is to be made to: Payee: _____
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 National Cooperative Leasing 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: tgoetsch@lscfinancial.com

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

Johnson County, Texas

Signature

Printed Name and Title

Attested By Authorized Individual:

Signature

Printed Name and Title

EXHIBIT G
SIGNATURE CARD

RE: Government Obligation Contract dated as of October 21, 2019, between Lease Servicing Center, Inc. dba National Cooperative Leasing (Obligee) and Johnson County, Texas (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 Johnson County, Texas.

Johnson County, Texas

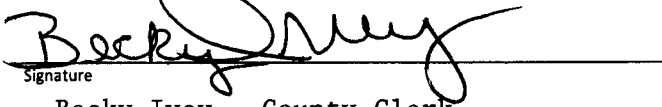


Signature

Roger Harmon - County Judge

Printed Name and Title

Signature of additional authorized individual (optional) of Obligor



Signature

Becky Ivey - County Clerk

Printed Name and Title



EXHIBIT H
OBLIGOR ACKNOWLEDGEMENT

RE: Government Obligation Contract dated as of October 21, 2019, between Lease Servicing Center, Inc. dba National Cooperative Leasing (Obligee) and Johnson County, Texas (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: Mitel
Equipment: Mitel Phones - included on Exhibit A
Cost of Equipment: \$ 582,336.84

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.

EXHIBIT I
BANK QUALIFIED CERTIFICATE

RE: Government Obligation Contract dated as of October 21, 2019, between Lease Servicing Center, Inc. dba National Cooperative Leasing (Obligee) and Johnson County, Texas (Obligor)

Whereas, Obligor hereby represents that it is a "Bank Qualified" Issuer for the calendar year in which this Contract is executed by making the following designations with respect to Section 265 of the Internal Revenue Code of 1986, as amended (the "Code"). (A "Bank Qualified Issuer" is an issuer that issues less than ten million (\$10,000,000) dollars of tax-exempt obligations other than "private activity bonds" as defined in Section 141 of the Code, excluding certain "qualified 501(c)(3) bonds" as defined in Section 145 of the Code, during the calendar year).

Now, therefor, Obligor hereby designates this Contract as follows:

1. **Designation as Qualified Tax-Exempt Obligation.** Pursuant to Section 265(b)(3)(B)(i) of 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".
2. **Issuance Limitation.** 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 and excluding certain "qualified 501(c)(3) bonds" as defined in Section 145 of the Code) in an amount greater than \$10,000,000.

Johnson County, Texas

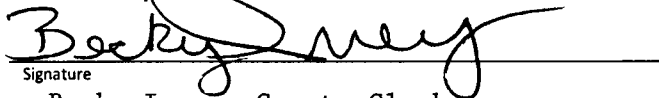


Signature

Roger Harmon - County Judge

Printed Name and Title

Attested By Authorized Individual:



Signature

Becky Ivey - County Clerk

Printed Name and Title



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:
Johnson County, Texas
2 North Main Street, Room 321
Cleburne, Texas 76033

Certificate Holder:
Lease Servicing Center, Inc. dba National Cooperative Leasing AOIA
220 22nd Avenue East, Suite 106
Alexandria, Minnesota 56308

1. **Equipment Description**
 - ◆ Mitel Phones
 - ◆ Please include all applicable VIN's, serial numbers, etc.
2. **Deductible**
 - ◆ The deductible amounts on the insurance policy should not exceed \$50,000.00.
3. **Physical Damage**
 - ◆ All risk coverage to guarantee proceeds of at least \$582,336.84.
4. **Loss Payee**
 - ◆ Lease Servicing Center, Inc. dba National Cooperative Leasing AOIA (and/or Its Assigns) MUST be listed as loss payee.

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

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

Johnson County, Texas

Insurance Company: Texas Association of Counties Risk Management Pool

Agent's Name: Yolanda Mondragon

Telephone #: (800) 456-5974 ext 3646

Fax #: (512) 478-1426

Address: 1210 San Antonio

City, State Zip: Austin, TX 78701

Email: yolandam@county.org

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 National Cooperative Leasing 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 National Cooperative Leasing AOIA may reinitiate 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 3356224	Payment Amount \$10,998.15	Frequency of Payments Monthly
Beginning _____ Month Year	Day of Month 20th	

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 National Cooperative Leasing 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 National Cooperative Leasing AOIA attempts to deduct a payment, Lease Servicing Center, Inc. dba National Cooperative Leasing 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 National Cooperative Leasing AOIA regarding the above-referenced loan.

This authority is to remain in full force and effect until Lease Servicing Center, Inc. dba National Cooperative Leasing 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 National Cooperative Leasing AOIA a reasonable opportunity to act on it.

Obligor Name on Contract Johnson County, Texas	
Signature	Printed Name and Title
Tax ID Number 75-6001030	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.

**JOHNSON COUNTY CONTRACT TERMS
ADDENDUM – LEASING SERVICES CENTER, INC. dba NATIONAL
COOPERATIVE LEASING -- 2019
(Mitel Telephone Equipment Lease-Purchase)**

The Johnson County Commissioners Court Finds, and the Parties Agree, as Follows:

1.1

This document is an **Addendum** is a part of the “**Government Obligation Contract**” and its associated exhibits constituting an Agreement between **Johnson County, Texas**, a political subdivision of the State of Texas, (hereinafter referred to as “**County**”), and **Lease Servicing Center, Inc. dba National Cooperative Leasing** (“**Lease Servicing Center**” hereunder) (collectively, the “**Parties**” or each individually a “**Party**”).

1.2

The terms and provisions of this Addendum shall apply to any assignee or transferee of the contract associated with this Addendum.

2.1

This Agreement will be governed by and construed according to the laws of the **State of Texas**. Venue for any action or claim arising out of the Agreement must be in the state district courts in Johnson County, Texas or the federal district courts in the Northern District of Texas, Dallas Division. Any provision stating that County agrees to waive any right to trial by jury is hereby deleted.

2.2

Limitations for the right to bring an action, regardless of form, shall be governed by the laws of the State of Texas, Texas Civil Practice and Remedies Code §16.070, as amended, and any provision to the contrary is hereby deleted.

2.3

Under Texas law, a contract with a governmental entity that contains a claim against future revenues is void; therefore, any term which provides for such a claim is hereby deleted. Johnson County will, upon request of a party to the contract, certify the funds available to fulfill the terms of this Agreement.

2.4

The Parties agree that under the Constitution and laws of the State of Texas, Johnson County cannot enter into an agreement whereby Johnson County agrees to indemnify or hold harmless any other party; therefore, all references of any kind to Johnson County indemnifying and holding harmless any individuals or entities for any reason whatsoever are hereby deleted.

Article XI, Section 7(a) of the Texas constitution provides in relevant part:

... But no debt for any purpose shall ever be incurred in any manner by any city or county unless provision is made, at the time of creating the same, for levying and collecting a sufficient tax to pay the interest thereon and provide at least two per cent (2%) as a sinking fund, except as provided by Subsection (b) ...

This provision is interpreted with respect to contractual obligations of Texas county and city government entities to prohibit such government entities from entering into an indemnity agreement and to nullify such agreement provisions.

2.5

The Parties agree and understand that County is a political subdivision of the State of Texas, and therefore has certain governmental immunity, sovereign immunity and limitations on liability, and that County's general liability and vehicle insurance coverage is with the Texas Association of Counties Risk Pool and said "insurance coverage" is limited to the statutory maximum limits of the Texas Tort Claims Act; therefore, any provisions to the contrary are hereby deleted. The Parties agree and understand that County does not waive any of its common law, statutory or constitutional defenses to which it may be entitled.

2.6

The Parties agree and understand that County will not agree to waive any rights and remedies available to County under the Uniform Commercial Code ("UCC"); therefore, any provision to the contrary is hereby deleted.

2.7

The Parties agree and understand that County will not agree to be responsible for any sales tax, use tax, or any other taxes, fees, fines or penalties that may be imposed, levied or assessed by any federal, state or local government or agency which relates to the Agreement, the equipment or its use; therefore, any provision to the contrary is hereby deleted.

2.8

The Parties agree and understand that County will provide statutory workers compensation for its employees; however, County **does not** agree to include a waiver of subrogation for workers compensation matters or for any other matters, therefore any provisions to the contrary are hereby deleted.

2.9

Pursuant to Texas Government Code Section 2251.021 and this Agreement, a payment by a governmental entity under a contract is overdue on the 31st day after the later of:

- a. the date the governmental entity receives the goods under the contract;
- b. the date the performance of the service under the contract is completed; or
- c. the date the governmental entity receives an invoice for the goods or service.

Pursuant to Texas Government Code Section 2251.021 and this Agreement, a payment begins to accrue interest on the date the payment becomes overdue. The rate of interest that accrues on an overdue payment is the rate in effect on September 1 of the fiscal year in which the payment becomes overdue. The rate in effect on September 1 is equal to the sum of: (1) one percent; and (2) the prime rate as published in the Wall Street Journal on the first day of July of the preceding fiscal year that does not fall on a Saturday or Sunday. Interest on an overdue payment stops accruing on the date the governmental entity or vendor mailed or electronically transmits the payment. Therefore, all provisions to the contrary are hereby deleted.

2.10

No officer, member or employee of County, and no member of its governing body and no other public officials of the governing body of the locality or localities in which the project is situated or being carried out who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of this project shall participate in any decision relating to this Agreement which affects his/her personal interest, have any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.

2.11

To the extent, if any, that any provision in this Agreement is in conflict with Texas Government Code §552.001 *et seq.*, as amended (the "Public Information Act"), the same shall be of no force and effect. Furthermore, it is expressly understood and agreed that Johnson County, its officers and employees may request advice, decisions and opinions of the Attorney General of the State of Texas in regard to the application of the Public Information Act. In the event of a request for documents or materials pursuant to the Texas Public Information Act (Texas Government Code Chapter 552) or similar law pertaining to documents or information County reasonably believes that **Lease Servicing Center, Inc.** might lawfully seek to claim as confidential, then County will forward the request to **Lease Servicing Center, Inc.** It shall be the obligation of **Lease Servicing Center, Inc.** to prepare and submit to the Texas Attorney General's Office any claim and supporting brief or materials necessary to assert a claim that the documents or materials may be withheld pursuant to Texas Government Code Chapter 552 or other applicable law. County will cooperate with **Lease Servicing Center, Inc.** in making such submission to the Texas Attorney General's Office. **Lease Servicing Center, Inc.** acknowledges and understands that contracts and agreements with a political subdivision of the State of Texas are public information and are not confidential.

2.12

Services provided under the Agreement shall be provided in accordance with all applicable state and federal laws.

2.13

Under the Constitution and laws of the State of Texas, public property is exempt from forced sales and liens may not attach thereto.

2.14

It is understood and agreed that Johnson County will not be subject to arbitration; therefore, any paragraph or provision requiring arbitration, is hereby deleted.

2.15

Johnson County shall be responsible for the acts or failure to act of its employees, agents or servants, provided; however, its responsibility shall be subject to the terms, provisions and limitations of the Constitution and laws of the State of Texas, particularly the Texas Tort Claims Act.

2.16

If the Agreement provides for the continuation of this Agreement from year to year, then continuation is subject to current funds available for the Agreement, the allocation of funds to meet the terms of this Agreement, and subject to the approval of the Johnson County Commissioners Court. However, this Agreement need not be specifically identified in the annual budget or budget process. Utilization of the equipment or services provided by **Lease Servicing Center, Inc.** pursuant to the terms of this Agreement by County will constitute the County's action and intent to continue this Agreement barring a specific written notice to the contrary. Notwithstanding the foregoing, in no event shall this Agreement continue for a **period exceeding 72 months** from the date of execution of this Addendum without additional specific consideration and approval by the Commissioners Court of Johnson County, Texas.

2.17

Lease Servicing Center, Inc. certifies that pursuant to Section 231.006 of the Texas Family Code that the individual or business entity named in this contract is not ineligible to receive the specified payment(s) and acknowledges that this contract may be terminated and payment may be withheld if this certification is inaccurate. **Lease Servicing Center, Inc.** states that it is not ineligible to receive State or Federal funds due to child support arrearages.

2.18

Lease Servicing Center, Inc. verifies that it does not boycott Israel and will not boycott Israel during the term of this contract. The term "boycott Israel" is as defined by Texas

Government Code Section 808.001, effective September 1, 2017. Lease Servicing Center, Inc. further verifies that it is not engaged in business with Iran, Sudan, or any foreign terrorist organization. The term "foreign terrorist organization" means an organization designated as foreign terrorist organization by the United States Secretary of State as authorized by 8 U.S.C. Section 1189.

2.19

Notwithstanding any other provisions contained in the contract documents, any amendment to the terms of the contract must be specifically approved by the Commissioners Court of Johnson County and signed by the Johnson County Judge.

2.20

Notwithstanding any other provision in this Addendum or the associated documents, if Lease Servicing Center, Inc. is being contracted to provide software and information technology and services to maintain and make available for use by Johnson County and the public documents, data, content and records, then said documents, data, content and records are and shall be the exclusive property of Johnson County, Texas or the State of Texas or a political subdivision thereof.

2.21

In the event of any conflict between the terms and provisions of this Addendum and the terms and provisions of those contractual provisions tendered to Johnson County in the Agreement, this Addendum shall control and amend the contractual provisions of the Agreement and any provision to the contrary is hereby deleted. ***THE TERMS OF THIS ADDENDUM SHALL BE FULLY OPERATIVE AND HAVE PRIORITY OVER ALL OTHER DOCUMENTS AND TERMS AND ANY TERM TO THE CONTRARY IN THE GOVERNMENT OBLIGATION CONTRACT OR OTHER DOCUMENTS PUT FORTH BY LEASE SERVICING CENTER, INC. IS HEREBY DELETED.*** *[Handwritten signature]* (Initials of Lease Servicing Center, Inc. Representative); *[Handwritten signature]* (Initials of Johnson County Judge).

APPROVED AS TO FORM AND CONTENT:

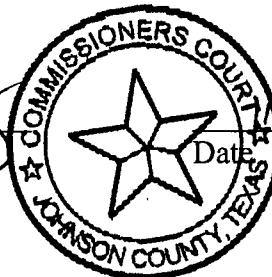
JOHNSON COUNTY:

[Handwritten signature]
Roger Harmon
As Johnson County Judge

11/25/19
Date

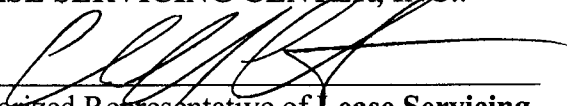
Attest:

[Handwritten signature]
County Clerk, Johnson County



11/25/19
Date

LEASE SERVICING CENTER, INC.:


Authorized Representative of Lease Servicing
Center, Inc.

11/21/19
Date

Printed Name: CHRISTOPHER J. CARROLL SECRETARY

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Department of the Treasury
Internal Revenue Service

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name Johnson County, Texas		2 Issuer's employer identification number (EIN) 75-6001030	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) Ralph McBroom		3b Telephone number of other person shown on 3a 817-556-6384	
4 Number and street (or P.O. box if mail is not delivered to street address) 2 North Main Street	Room/suite 321	5 Report number (For IRS Use Only) 3	
6 City, town, or post office, state, and ZIP code Cleburne, TX 76033		7 Date of issue 11/27/2019	
8 Name of issue Government Obligation Contract dated 10/21/2019		9 CUSIP number	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)		10b Telephone number of officer or other employee shown on 10a	

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

11 Education	11		
12 Health and hospital	12		
13 Transportation	13		
14 Public safety	14		
15 Environment (including sewage bonds)	15		
16 Housing	16		
17 Utilities	17		
18 Other. Describe ► Mitel Phone System	18	582,336	84
19 If obligations are TANs or RANs, check only box 19a			
If obligations are BANs, check only box 19b			
20 If obligations are in the form of a lease or installment sale, check box			

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

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	12/21/2024	\$ 582,336.84	\$	5 years	4.71 %

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

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

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

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	►	_____ years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	►	_____ years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	►	_____
34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)		

Instructions for Form 8038-G (Rev. September 2012)



Department of the Treasury
Internal Revenue Service

(Use with the September 2011 revision of Form 8038-G.)

Information Return for Tax-Exempt Governmental Obligations

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

General Instructions

Purpose of Form

Form 8038-G is used by 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

IF the issue price (line 21, column (b)) is...	THEN, for tax-exempt governmental obligations issued after December 31, 1986, issuers must file...
\$100,000 or more	A separate Form 8038-G for each issue
Less than \$100,000	Form 8038-GC, Information Return for Small Tax-Exempt Governmental Bond Issues, Leases, and Installment Sales



For all build America bonds and recovery zone economic development bonds use Form 8038-B, Information Return for Build America Bonds and Recovery Zone Economic Development Bonds. For tax credit bonds and specified tax credit bonds use Form 8038-TC, Information Return for Tax Credit Bonds and Specified Tax Credit Bonds.

When To File

File Form 8038-G on or before the 15th day of the 2nd calendar month after the close of the calendar quarter in which the bond is issued. Form 8038-G may not be filed before the issue date and must be completed based on the facts as of the issue date.

Late filing. An issuer may be granted an extension of time to file Form 8038-G under Section 3 of Rev. Proc. 2002-48, 2002-37 I.R.B. 531, if it is determined that the failure to file timely 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" and attach a letter explaining why Form 8038-G was not submitted to the IRS on time. Also indicate whether the bond issue in question is under examination by the IRS. Do not

submit copies of the trust indenture or other bond documents. See *Where To File* next.

Where To File

File Form 8038-G, 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 build America bonds (Direct Pay), build America bonds (Tax Credit), and recovery zone economic development bonds, complete Form 8038-B, Information Return for Build America Bonds and Recovery Zone Economic Development Bonds.

For qualified forestry conservation bonds, new clean renewable energy bonds, qualified energy conservation bonds, qualified zone academy bonds, qualified school construction bonds, clean renewable energy bonds, and all other qualified tax credit bonds (except build America bonds), file Form 8038-TC,

Information Return for Tax Credit Bonds and Specified Tax Credit Bonds.

Rounding to Whole Dollars

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

Questions on Filing Form 8038-G

For specific questions on how to file Form 8038-G send an email to the IRS at TaxExemptBondQuestions@irs.gov and put "Form 8038-G Question" in the subject line. In the email include a description of your question, a return email address, the name of a contact person, and a telephone number.

Definitions

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 next) 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 directly or indirectly 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 price. 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 first 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.

Issue. Generally, obligations are treated as part of the same issue if they are issued by the same issuer, on the same date, and in 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 meet 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 are to be used for construction expenditures with respect to property to be owned by a governmental unit or a section 501(c)(3) organization, and

2. All 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 section 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 1¹/₂% 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.

Pooled financing issue. This is an issue of tax-exempt bonds, the proceeds of which are to be used to finance purpose investments representing conduit loans to two or more conduit borrowers, unless those conduit loans are to be used to finance a single capital project.

Specific Instructions

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 or corrected information. Attach an explanation of the reason for the amended return and write across the top, "Amended Return Explanation." Failure to attach an explanation may result in a delay in processing the form.

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. For a lease or installment sale, the issuer is the lessee or the 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.

Line 3a. If the issuer wishes to authorize a person other than an officer or other employee of the issuer (including a legal representative or paid preparer) to communicate with the IRS and whom the IRS may contact about this return (including in writing or by telephone), enter the name of such person here. The person listed in line 3a must be an individual. Do not enter the name and title of an officer or other employee of the issuer here (use line 10a for that purpose).

Note. 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 entered on line 3a and consents to disclose the issuer's return information to that individual, as necessary, to process this return.

Lines 4 and 6. If you listed an individual on line 3a to communicate with the IRS and whom the IRS may contact about this return, enter the number and street (or P.O. box if mail is not delivered to street address), city, town, or post office, state, and ZIP code of that person. Otherwise, enter the issuer's number and street (or P.O. box if mail is not delivered to street address), city, town, or post office, state, and ZIP code.

Note. The address entered on lines 4 and 6 is the address the IRS will use for all written communications regarding the processing of this return, including any notices.

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

Line 7. The date of issue is 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 in an MM/DD/YYYY format.

Line 8. If there is no name of the issue, please provide other identification of the issue.

Line 9. Enter the CUSIP (Committee on Uniform Securities Identification Procedures) number of the bond with the latest maturity. If the issue does not have a CUSIP number, write "None."

Line 10a. Enter the name and title of the officer or other employee of the issuer whom the IRS may call for more information. If the issuer wishes to designate a person other than an officer or other employee of the issuer (including a legal representative or paid preparer) whom the IRS may call for more information about the return, enter the name, title, and telephone number of such person on lines 3a and 3b.



Complete lines 10a and 10b even if you complete lines 3a and 3b.

Part II—Type of Issue



Elections referred to in Part II are made on the original bond documents, not on this form.

Identify the type of obligations issued by entering the corresponding issue price (see *Issue price* under *Definitions* earlier). Attach a schedule listing names and EINs of organizations that are to use proceeds of these obligations, if different from those

of the issuer, include a brief summary of the use and indicate whether or not such user is a governmental or nongovernmental entity.

Line 18. Enter a description of the issue in the space provided.

Line 19. If the obligations are short-term tax anticipation notes or warrants (TANs) or short-term revenue anticipation notes or warrants (RANs), check box 19a. If the obligations are short-term bond anticipation notes (BANs), issued with the expectation that they will be refunded with the proceeds of long-term bonds at some future date, check box 19b. Do not check both boxes.

Line 20. Check this box 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 check this box if real property is directly acquired in exchange for an obligation to make periodic payments of interest and principal. Do not check this box if the proceeds of the obligation are received in the form of cash, even if the term "lease" is used in the title of the issue.

Part III—Description of Obligations

Line 21. For column (a), the final maturity date is the last date the issuer must redeem the entire issue.

For column (b), see *Issue price* under *Definitions* earlier.

For column (c), the stated redemption price at maturity of the entire issue is the sum of the stated redemption prices at maturity of each bond issued as part of the issue. For a lease or installment sale, write "N/A" in column (c).

For column (d), the weighted average maturity is the sum of the products of the issue price of each maturity and the number of years to maturity (determined separately for each maturity and by taking into account mandatory redemptions), divided by the issue price of the entire issue (from line 21, column (b)). For a lease or installment sale, enter instead the total number of years the lease or installment sale will be outstanding.

For column (e), the yield, as defined in section 148(h), is the discount rate that, when used to compute the present value of all payments of principal and interest to be paid on the obligation, produces an amount equal to the purchase price, including accrued interest. See Regulations section 1.148-4 for specific rules to compute the yield on an issue. If the issue is a variable rate issue, write "VR" as the yield of the issue. For other

than variable rate issues, carry the yield out to four decimal places (for example, 5.3125%). If the issue is a lease or installment sale, enter the effective rate of interest being paid.

Part IV—Uses of Proceeds of Bond Issue

For a lease or installment sale, write "N/A" in the space to the right of the title for Part IV.

Line 22. Enter the amount of proceeds that will be used to pay interest from the date the bonds are dated to the date of issue.

Line 24. Enter the amount of the proceeds that will be used to pay bond issuance costs, including fees for trustees and bond counsel. If no bond proceeds will be used to pay bond issuance costs, enter zero. Do not leave this line blank.

Line 25. Enter the amount of the proceeds that will be used to pay fees for credit enhancement that are taken into account in determining the yield on the issue for purposes of section 148(h) (for example, bond insurance premiums and certain fees for letters of credit).

Line 26. Enter the amount of proceeds that will be allocated to such a fund.

Line 27. Enter the amount of the proceeds that will be used to pay principal, interest, or call premium on any other issue of bonds within 90 days of the date of issue.

Line 28. Enter the amount of the proceeds that will be used to pay principal, interest, or call premium on any other issue of bonds after 90 days of the date of issue, including proceeds that will be used to fund an escrow account for this purpose.

Part V—Description of Refunded Bonds

Complete this part only if the bonds are to be used to refund a prior issue of tax-exempt bonds. For a lease or installment sale, write "N/A" in the space to the right of the title for Part V.

Lines 31 and 32. The remaining weighted average maturity is determined without regard to the refunding. The weighted average maturity is determined in the same manner as on line 21, column (d).

Line 34. If more than a single issue of bonds will be refunded, enter the date of issue of each issue. Enter the date in an MM/DD/YYYY format.

Part VI—Miscellaneous

Line 35. An allocation of volume cap is required if the nonqualified amount for the issue is more than \$15 million but is not

more than the amount that would cause the issue to be private activity bonds.

Line 36. If any portion of the gross proceeds of the issue is or will be invested in a guaranteed investment contract (GIC), as defined in Regulations section 1.148-1(b), enter the amount of the gross proceeds so invested, as well as the final maturity date of the GIC and the name of the provider of such contract.

Line 37. If the issue is a pooled financing issue (as defined under *Pooled financing issue* in *Definitions*), enter the amount of the proceeds used to make loans to other governmental units, the interest on which is tax-exempt.

Line 38. If the issue is a loan of proceeds from a pooled financing issue (as defined under *Pooled financing issue* in *Definitions*), check the box and where asked for the date of issue, EIN, and name of the issuer of the master pool obligation, enter the date of issue, EIN, and name of the issuer of the pooled financing issue.

Line 40. 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 arbitrage rebate with this form. See Rev. Proc. 92-22, 1992-1 C.B. 736 for rules regarding the "election document."

Line 41a. Check this box if the issuer has identified a hedge on its books and records according to Regulations sections 1.148-4(h)(2)(viii) and 1.148-4(h)(5) that permit an issuer of tax-exempt bonds to identify a hedge for it to be included in yield calculations for computing arbitrage.

Line 42. In determining if the issuer has super-integrated a hedge, apply the rules of Regulations section 1.148-4(h)(4). If the hedge is super-integrated, check the box.

Line 43. If the issuer takes a "deliberate action" after the issue date that causes the conditions of the private business tests or the private loan financing test to be met, then such issue is also an issue of private activity bonds. Regulations section 1.141-2(d)(3) defines a deliberate action as any action taken by the issuer that is within its control regardless of whether there is intent to violate such tests. Regulations section 1.141-12 explains the conditions to taking remedial action that prevent an action that causes an issue to meet the private business tests or private loan financing test from being treated as a deliberate action. Check the box if the issuer has established written procedures to ensure timely remedial action for all nonqualified bonds according to

Regulations section 1.141-12 or other remedial actions authorized by the Commissioner under Regulations section 1.141-12(h).

Line 44. Check the box if the issuer has established written procedures to monitor compliance with the arbitrage, yield restriction, and rebate requirements of section 148.

Line 45a. Check the box if some part of the proceeds was used to reimburse expenditures. Figure and then enter the amount of proceeds that are used to reimburse the issuer for amounts paid for a qualified purpose prior to the issuance of the bonds. See Regulations section 1.150-2.

Line 45b. An issuer must adopt an official intent to reimburse itself for preissuance expenditures within 60 days after payment of the original expenditure unless excepted by Regulations section 1.150-2(f). Enter the date the official intent was adopted. See Regulations section 1.150-2(e) for more information about official intent.

Signature and Consent

An authorized representative of the issuer must sign Form 8038-G and any applicable certification. Also print the name and title of the person signing Form 8038-G. 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 have been designated in Form 8038-G.

Note. If the issuer in Part 1, lines 3a and 3b authorizes the IRS to communicate (including in writing and by telephone) with a person other than an officer or other employee of the issuer, 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 officer of the issuer filled in this 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.

- The paid preparer must:
- Sign the return in the space provided for the preparer's signature (a facsimile signature is acceptable),
 - Enter the preparer information, 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 varies depending on individual circumstances. The estimated average time is:

Learning about the law or the form	2 hr., 41 min.
Preparing, copying, assembling, and sending the form to the IRS	3 hr., 3 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 office. Instead, see *Where To File*.