



CONTRACT/GRANT INFORMATION SHEET

Date: 7/16/2015	
Staff's Name: Mike Ciccarone	Department: Administration
Vendor's Name: Konica Minolta - <i>Lease Payment</i>	
Address:	
Phone:	
Received W9 (if applicable): <input type="checkbox"/> Y <input type="checkbox"/> N	
Business License # (if applicable): Exp. Date: Click here to enter a date.	

ACCOUNTING SUMMARY	Org	Object	Project/#	\$
Accounting Code:	<i>OPOP</i>	<i>8020</i> / <i>2730</i>		<i>11027.85</i>
Accounting Code:	<i>OPOP</i>	<i>6421</i>		<i>1697.55</i>
Accounting Code:				
Accounting Code:				
Accounting Code:				

CONTRACT SUMMARY

Contract Number Assigned:	<i>C 2016-143</i>		
Contract Total:	\$29,999 <i>12,725.40</i>		
Brief Description of Service:	Copy machine lease with maintenance		
Contract Beginning Date:	7/21/2015		
Contract Expiration Date:	6/30/2020		
Budgeted Expenditure:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
Budget Page #:			
Approved by Council:	<input type="checkbox"/> Yes; Date: Click here to enter a date.	<input checked="" type="checkbox"/> No	
Insurance Certificate provided:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Estimate Start Date:	Click here to enter a date.		
Estimate Completion Date:	Click here to enter a date.		

GRANT SUMMARY

Paid for by Grant:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Name of Grantee:			
Grant Number Assigned:			
Date Council Approved:			



1680 Charles Place
Manhattan, KS 66502

877-587-4054

OCT 12 2015

October 6, 2015

Town of Fountain Hills, Arizona
Mr. Craig Rudolph
16705 East Avenue of the Fountains
Fountain Hills, AZ 85268

Re: Government Obligation Contract dated as of July 22, 2015 between Town of Fountain Hills, Arizona (Obligor) and KS StateBank (Obligee) / Contract #3348510

Dear Mr. Rudolph:

Enclosed please find a fully executed copy of the above referenced Contract for your files.

Your fifth payment on this Contract is due November 22, 2015 in the amount of \$212.09. Unless we notify you otherwise, please mail all payments to:

KS StateBank
Government Finance
P.O. Box 69
Manhattan, KS 66505-0069

If you should have any questions regarding your payments, please do not hesitate to contact us at (877) 587-4054. For additional financing needs, please contact BFG Financial, LLC at (888) 345-0071.

Sincerely,

Ms. Kali Kuckelman
Client Relations II
Government Finance Department

Enclosure



1680 CHARLES PLACE | 877-587-4054
MANHATTAN, KS 66502

07016-143

Duplicate
Original

SENT VIA EMAIL: CRUDOLPHY@FH.AZ.GOV

July 22, 2015

Mr. Craig Rudolphy
Town of Fountain Hills, Arizona

Re: Financing for Town of Fountain Hills, Arizona for One (1) Konica Minolta Bizhub C654e Color Copier/Printer/Scanner

Dear Mr. Rudolphy:

Thank you for choosing KS StateBank as your financing source. Attached hereto, please find the Contract and documentation for your review and completion. Included is a Documentation Instruction sheet to guide you through the process. ***All required documentation must be received by 3:00pm CST in order to fund the following business day.***

The interest rate you have been quoted is valid through August 20, 2015.

Please note that, depending on circumstances, we reserve the right to charge a reasonable fee to Obligor/broker, if this transaction is not funded. This fee is for expenses incurred and services performed related to the processing of the transaction. This fee will NOT be charged if the transaction is funded by Obligee.

If you have any questions regarding the documentation please feel free to contact me at (877) 587-4054.

Sincerely,

Ms. Kali Kuckelman
Client Relations II

DOCUMENTATION INSTRUCTIONS

Duplicate
Original

The instructions listed below should be followed when completing the enclosed documentation. Documentation completed improperly will delay funding. If you have any questions regarding the Conditions to Funding, instructions or the documentation, please call us at (877) 587-4054.

I. Attached Documentation

1. Government Obligation Contract

- ◆ An authorized individual that is with the Obligor should sign on the first space provided.
- ◆ A second authorized individual that is with the Obligor should attest the previous signature on the space provided.

2. Exhibit A – Description of Equipment

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

3. Exhibit B – Payment Schedule

- ◆ Sign and print name and title

4. Insurance Requirements

- ◆ Complete insurance company contact information where indicated.

5. Debit Authorization – (Preferred)

- ◆ Complete form and attach a voided check

6. 8038GC IRS Form

- ◆ Please read 8038 Review Form
- ◆ In Box 2, type Employer Identification Number
- ◆ Sign and print name and title

II. Additional Documentation Required

1. First payment check as stated on attached invoice
2. Copier Service Agreement
3. Insurance Certificate as stated on the Insurance Requirements Form
4. Vendor Invoice for the amount to finance listing applicable SN/VIN, down payment, trade, etc.
5. Mohave PO

III. Condition to Funding

If, for any reason: (i) the required documentation is not returned by September 22, 2015, 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 which adversely affects the expectations, rights or security of the Obligee or its assignees; then Obligee or its assignees reserve the right to adjust the quoted interest rate or withdraw/void its offer to fund this transaction in its entirety. *Neither KS StateBank nor Baystone Government Finance 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:

KS StateBank
1680 Charles Place
Manhattan, Kansas 66502

GOVERNMENT OBLIGATION CONTRACT

Mohave AZ Small Ticket Non-App BG
Duplicate
Original

Obligor

Town of Fountain Hills, Arizona
16705 East Avenue of the Fountains
Fountain Hills, Arizona 85268

Obligee

KS StateBank
1010 Westloop; P.O. Box 69
Manhattan, Kansas 66505-0069

Dated as of July 22, 2015

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.

"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 in which Obligor is located.

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) Obligor has never non-appropriated funds under a contract similar to this Contract.

(g) Obligor will submit to the Secretary of the Treasury an information reporting statement as required by the Code.

(h) Upon request by Obligee, Obligor will provide Obligee with current financial statements, reports, budgets or other relevant fiscal information.

(i) 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.

(j) 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.

(k) 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.

(l) 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.

(m) Obligor owns free and clear of any liens any additional collateral pledged, subject only to the lien described herein; 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 and 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. Execution of the Certificate of Acceptance or, alternatively, Payment Request and Equipment Acceptance Form, by a duly authorized representative of Obligor, shall constitute acceptance of the Equipment on behalf of the Obligor.

Section 3.02 Contract Payments. Obligor shall pay Contract Payments exclusively to Obligee 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 Obligee 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. Obligee 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. Obligee 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 Obligee hereunder have been received, Obligee 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 by any lawful means whatsoever, then Obligor may non-appropriate the funds to pay the Contract Payments for the next Renewal Term. Such non-appropriation shall be evidenced by the passage of an ordinance or resolution by the governing body of Obligor specifically prohibiting Obligor from performing its obligations under this Contract and from using any moneys to pay the Contract Payments due under this Contract for a designated Budget Year and all subsequent Budget Years. 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 the payment of damages in 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 and for any other loss suffered by Obligees as a result of Obligor's failure to take such actions as required. 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. If Obligor non-appropriates under this section, then Obligor shall not purchase, lease or rent Equipment performing same or similar functions to those performed by the Equipment for a period of 360 days unless otherwise prohibited by public policy considerations.

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 Indemnification. 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. To the extent permitted under State law, 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, including any and all additional collateral listed on any other Exhibit A. 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's rights, title and/or interest in and to this Contract may be assigned and reassigned in whole or in part to one or more assignees or sub-assignees by 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 approves of such assignment in writing before such assignment occurs and only after Obligor first obtains an opinion from nationally recognized counsel stating that such assignment will not jeopardize the tax-exempt status of the obligation.

VIII. Maintenance of Equipment

Section 8.01 Equipment. Obligor shall keep the Equipment in good repair and working order, and as required by manufacturer's and warranty specifications. If Equipment consists of copiers, Obligor is required to enter into a copier maintenance/service agreement. 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's 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's 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. Miscellaneous

Section 10.01 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 10.02 Binding Effect. Obligor acknowledges this Contract is not binding upon the Obligees or its assignees unless the Conditions to Funding listed on the Documentation Instructions have been met to Obligees's satisfaction, and Obligees has executed the Contract. Thereafter, this Contract shall inure to the benefit of and shall be binding upon Obligees and Obligor and their respective successors and assigns.

Section 10.03 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 10.04 Amendments, Addenda, Changes or Modifications. This Contract may be amended, added to, changed or modified by written agreement duly executed by Obligees and Obligor. Furthermore, Obligees 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 Obligees for the additional administrative expense resulting from such amendment, addenda, change or modification requested by Obligor.

Section 10.05 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 10.06 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 10.07 Master Contract. This Contract can be utilized as a Master Contract. This means that the Obligees 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 Obligees. 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 10.08 Entire Writing. This Contract constitutes the entire writing between Obligees 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 Obligees and will not apply to this Contract.

Duplicate Original

Section 10.09 Cancellation for Conflict of Interest. In accordance with Arizona Revised Statutes Section 38-511, within three years after the execution of this Contract by a political subdivision, department, or agency, such Contract is subject to cancellation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract is, at any time while the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or a consultant to any other party to this Contract with respect to the subject matter of the Contract.

Section 10.10 Arizona Immigration Law Compliance. Obligee hereby represents and warrants that Obligee complies with the federal immigration laws and regulations that relate to their employees and with Arizona Revised Statutes Section 23-214(A). A breach of this warranty shall be deemed a material breach of this Contract, subject to penalties up to and including termination of this Contract by the Obligor, in its sole discretion. Subject to reasonable prior written notice, Obligor retains the legal right to inspect the papers of any Obligee or subcontractor employee who works on the Contract to ensure compliance with this warranty.

Section 10.11 Mohave Educational Cooperative Services. The Obligee currently holds a contract with Mohave Educational Cooperative Services ("Mohave") Mohave is a not-for-profit corporation providing public procurement services pursuant to A.R.S. Section 11-952 and A.R.S. Section 41-2632. Mohave is governed under Title 10 of the Arizona Revised Statutes. The contract that Obligee has with Mohave allows the Obligor to finance the purchase of the Equipment in accordance with Arizona law, RFP 13R-1018, any Best and Final Offer made to Mohave, and the member's purchase order. The contract that Obligee has with Mohave also requires the Obligee to include certain provisions as a part of this Contract. The specific provisions are (1) that the Contract shall be in compliance with the UCC and there can be no blanket waivers of the UCC provisions, (2) there must be a non-appropriation clause for a municipal entity, (3) that there be no invoicing or collecting of property tax to a school on leased property, (4) that there be no waiver of a jury trial or mandatory binding arbitration, (5) that the laws of the State of Arizona shall govern the Contract, (6) that the Contract cannot require upfront payment by a Mohave member when purchase order is placed and that (7) this Contract cannot contain "auto-renewal" language. Obligee and Obligor hereby represent that, notwithstanding any other provisions in this Contract, the provisions contained in this Section as required by Mohave will be binding to Obligee and Obligor.

Section 10.12 Designation as Qualified Tax-Exempt Obligation. Pursuant to Section 265(b)(3)(B)(i) of the Internal Revenue Code of 1986 as amended (the "Code"), the Obligor hereby specifically designates the Contract as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code. In compliance with Section 265(b)(3)(D) of the Code, the Obligor hereby represents that the Obligor will not designate more than \$10,000,000 of obligations issued by the Obligor in the calendar year during which the Contract is executed and delivered as such "qualified tax-exempt obligations". In compliance with the requirements of Section 265(b)(3)(C) of the Code, the Obligor hereby represents that the Obligor (including all subordinate entities of the Obligor within the meaning of Section 265(b)(3)(E) of the Code) reasonably anticipates not to issue in the calendar year during which the Contract is executed and delivered, obligations bearing interest exempt from federal income taxation under Section 103 of the Code (other than "private activity bonds" as defined in Section 141 of the Code) in an amount greater than \$10,000,000.

Section 10.13 Acceptance of Equipment Certification. By signing and attesting directly below, Obligor hereby certifies that the Equipment described directly below in Exhibit A has been delivered and installed in accordance with Obligor's specifications. Obligor further certifies that they have conducted such inspection and/or testing of the Equipment as it deems necessary and hereby acknowledges that it accepts the Equipment for all intended purposes.

~~Section 10.14 Resolution and Authorization. By signing and attesting directly below, Obligor hereby warrants and certifies that the Governing Body of the Obligor at either a special or regular meeting or through some other approved method of authorization has determined that this Contract is in the best interests of the Obligor and the Governing Body did at such meeting or through some other approval method approve the entering into of the Contract by the Obligor and specifically designated and authorized the individual(s) who have signed directly below to execute this Contract on Obligor's behalf along with any related documents (including any Escrow Agreement) necessary to the consummation of the transaction contemplated by the Contract.~~

Approved as line item in Fiscal Year 15-16 Budget.

JGM
XMS

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

Town of Fountain Hills, Arizona

KS StateBank

Grady E. Miller
Signature
Grady E. Miller, Town Manager
Printed Name and Title

Marsha Jarvis
Signature
Marsha Jarvis, Senior Vice President
Printed Name and Title

Town of Fountain Hills, Arizona
Attested By Authorized Individual:

Bevelyn J. Bender
Signature
Bevelyn J. Bender, Town Clerk
Printed Name and Title

Duplicate

Schedule 01

EXHIBIT A
DESCRIPTION OF EQUIPMENT

RE: Government Obligation Contract dated as of July 22, 2015, between KS StateBank (Obligee) and Town of Fountain Hills, Arizona (Obligor)

Original

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

One (1) Konica Minolta Bizhub C654e Color Copier/Printer/Scanner

Physical Address of Equipment after Delivery : 16705 E. Ave. of the Fountains, Fountain Hills, AZ

**EXHIBIT B
PAYMENT SCHEDULE**

RE: Government Obligation Contract dated as of July 22, 2015, between KS StateBank (Obligee) and Town of Fountain Hills, Arizona (Obligor)

Date of First Payment: At Closing
 Original Balance: \$11,027.85
 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	At Closing	\$212.09	\$0.00	\$212.09	Not Available
2	22-Aug-15	\$212.09	\$53.99	\$158.10	Not Available
3	22-Sep-15	\$212.09	\$53.20	\$158.89	Not Available
4	22-Oct-15	\$212.09	\$52.41	\$159.68	\$10,975.97
5	22-Nov-15	\$212.09	\$51.61	\$160.48	\$10,794.70
6	22-Dec-15	\$212.09	\$50.81	\$161.28	\$10,612.93
7	22-Jan-16	\$212.09	\$50.00	\$162.09	\$10,430.64
8	22-Feb-16	\$212.09	\$49.20	\$162.89	\$10,247.84
9	22-Mar-16	\$212.09	\$48.38	\$163.71	\$10,064.53
10	22-Apr-16	\$212.09	\$47.56	\$164.53	\$9,880.70
11	22-May-16	\$212.09	\$46.74	\$165.35	\$9,696.36
12	22-Jun-16	\$212.09	\$45.92	\$166.17	\$9,511.50
13	22-Jul-16	\$212.09	\$45.09	\$167.00	\$9,326.12
14	22-Aug-16	\$212.09	\$44.26	\$167.83	\$9,140.22
15	22-Sep-16	\$212.09	\$43.42	\$168.67	\$8,953.80
16	22-Oct-16	\$212.09	\$42.58	\$169.51	\$8,766.86
17	22-Nov-16	\$212.09	\$41.73	\$170.36	\$8,579.39
18	22-Dec-16	\$212.09	\$40.88	\$171.21	\$8,391.39
19	22-Jan-17	\$212.09	\$40.02	\$172.07	\$8,202.87
20	22-Feb-17	\$212.09	\$39.17	\$172.92	\$8,013.82
21	22-Mar-17	\$212.09	\$38.30	\$173.79	\$7,824.24
22	22-Apr-17	\$212.09	\$37.43	\$174.66	\$7,634.12
23	22-May-17	\$212.09	\$36.56	\$175.53	\$7,443.47
24	22-Jun-17	\$212.09	\$35.69	\$176.40	\$7,252.28
25	22-Jul-17	\$212.09	\$34.81	\$177.28	\$7,060.56
26	22-Aug-17	\$212.09	\$33.92	\$178.17	\$6,868.30
27	22-Sep-17	\$212.09	\$33.03	\$179.06	\$6,675.50
28	22-Oct-17	\$212.09	\$32.14	\$179.95	\$6,482.16
29	22-Nov-17	\$212.09	\$31.24	\$180.85	\$6,288.27
30	22-Dec-17	\$212.09	\$30.34	\$181.75	\$6,093.84
31	22-Jan-18	\$212.09	\$29.43	\$182.66	\$5,898.86
32	22-Feb-18	\$212.09	\$28.52	\$183.57	\$5,703.34
33	22-Mar-18	\$212.09	\$27.60	\$184.49	\$5,507.27
34	22-Apr-18	\$212.09	\$26.68	\$185.41	\$5,310.65
35	22-May-18	\$212.09	\$25.75	\$186.34	\$5,113.47
36	22-Jun-18	\$212.09	\$24.82	\$187.27	\$4,915.74

EXHIBIT B - CONTINUED

PAYMENT SCHEDULE

RE: Government Obligation Contract dated as of July 22, 2015, between KS StateBank (Obligee) and Town of Fountain Hills, Arizona (Obligor)

Pmt No.	Due Date	Contract Payment	Applied to Interest	Applied to Principal	*Purchase Option Price
37	22-Jul-18	\$212.09	\$23.89	\$188.20	\$4,717.46
38	22-Aug-18	\$212.09	\$22.95	\$189.14	\$4,518.62
39	22-Sep-18	\$212.09	\$22.01	\$190.08	\$4,319.22
40	22-Oct-18	\$212.09	\$21.06	\$191.03	\$4,119.26
41	22-Nov-18	\$212.09	\$20.10	\$191.99	\$3,918.74
42	22-Dec-18	\$212.09	\$19.15	\$192.94	\$3,717.66
43	22-Jan-19	\$212.09	\$18.18	\$193.91	\$3,516.01
44	22-Feb-19	\$212.09	\$17.21	\$194.88	\$3,313.79
45	22-Mar-19	\$212.09	\$16.24	\$195.85	\$3,111.01
46	22-Apr-19	\$212.09	\$15.26	\$196.83	\$2,907.66
47	22-May-19	\$212.09	\$14.28	\$197.81	\$2,703.74
48	22-Jun-19	\$212.09	\$13.29	\$198.80	\$2,499.24
49	22-Jul-19	\$212.09	\$12.30	\$199.79	\$2,294.17
50	22-Aug-19	\$212.09	\$11.30	\$200.79	\$2,088.52
51	22-Sep-19	\$212.09	\$10.30	\$201.79	\$1,882.30
52	22-Oct-19	\$212.09	\$9.29	\$202.80	\$1,675.50
53	22-Nov-19	\$212.09	\$8.28	\$203.81	\$1,468.12
54	22-Dec-19	\$212.09	\$7.27	\$204.82	\$1,260.15
55	22-Jan-20	\$212.09	\$6.24	\$205.85	\$1,051.60
56	22-Feb-20	\$212.09	\$5.22	\$206.87	\$842.46
57	22-Mar-20	\$212.09	\$4.18	\$207.91	\$632.74
58	22-Apr-20	\$212.09	\$3.14	\$208.95	\$422.43
59	22-May-20	\$212.09	\$2.10	\$209.99	\$211.53
60	22-Jun-20	\$212.09	\$1.08	\$211.01	\$0.00

Town of Fountain Hills, Arizona

Grady E. Miller

 Signature
Grady E. Miller, Town Manager

 Printed Name and Title

*Assumes all Contract Payments due to date are paid

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

Source of Funds : General Fund

CERTIFICATE OF INSURANCE

ISSUE DATE
07/23/2015

ADMINISTRATOR

Southwest Risk Services
14902 North 73rd Street
Scottsdale, AZ 85260
(602) 996-8810

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY
LETTER A ARIZONA MUNICIPAL RISK RETENTION POOL

INSURED

Town of Fountain Hills
16705 E. Ave of the Fountains
Fountain Hills, AZ 85268

COMPANY
LETTER B
COMPANY
LETTER C
COMPANY
LETTER D

COVERAGES

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOT WITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR PERTAIN, THE INSURANCE AFFORDED BY THE POLICES DESCRIBED HERE IN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS, AND CONDITIONS OF SUCH POLICIES.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input checked="" type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCURRENCE	AM40522015	07/01/2015	07/01/2016	EACH WRONGFUL ACT \$2,000,000 PROD COMP/OPS AGGR \$2,000,000 PERSONAL & ADV INJURY \$2,000,000 FIRE DAMAGE(1 FIRE) \$300,000 MEDICAL EXP(1 PERSON) \$5,000 COMBINED SINGLE LIMIT
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY EXCESS LIABILITY				EACH WRONGFUL ACT AGGREGATE
	WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY				(EACH ACCIDENT) (DISEASE-POL LMT) (DISEASE-EACH EMP)
A	OTHER Leased / Rental Equipment	AM40522015	07/01/2015	07/01/2016	LIMIT \$50,000.00 DED \$500.00

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

As respects leased or rented equipment by the Town of Fountain Hills, for the Konica Minolta Bizhub C654e color copier/printer/scanner and not exceeding a value of \$50,000.

CERTIFICATE HOLDER

ADDITIONAL INSURED/LOSS PAYEE

KS STATEBANK
1010 WESTLOOP, PO BOX 69
MANHATTAN, KS 66505-0069

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED SIGNATURE



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

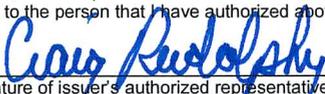
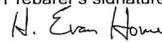
**Duplicate
Original**

Department of the Treasury
Internal Revenue Service

▶ Under Internal Revenue Code section 149(e)
Caution: If the issue price is \$100,000 or more, use Form 8038-G.

Part I Reporting Authority		Check box if Amended Return <input type="checkbox"/>
1 Issuer's name Town of Fountain Hills, Arizona	2 Issuer's employer identification number (EIN) 86 0650150	
3 Number and street (or P.O. box if mail is not delivered to street address) 16705 East Avenue of the Fountains	Room/suite	
4 City, town, or post office, state, and ZIP code Fountain Hills, Arizona 85268	5 Report number (For IRS Use Only)	
6 Name and title of officer or other employee issuer or designated contact person whom the IRS may call for more information Mr. Craig Rudolphy, Finance Director	7 Telephone number of officer or legal representative (480) 816-5162	

Part II Description of Obligations Check one: a single issue <input checked="" type="checkbox"/> or a consolidated return <input type="checkbox"/>	
8a Issue price of obligation(s) (see instructions)	\$11,696.22
b Issue date (single issue) or calendar date (consolidated). Enter date in mm/dd/yyyy format (for example, 01/01/2009) (see instructions) ▶	07/22/2015
9 Amount of the reported obligation(s) on line 8a that is:	
a For leases for vehicles	
b For leases for office equipment	
c For leases for real property	
d For leases for other (see instructions).	\$11,696.22
e For bank loans for vehicles	
f For bank loans for office equipment	
g For bank loans for real property.	
h For bank loans for other (see instructions)	
i Used to refund prior issue(s).	
j Representing a loan from the proceeds of another tax-exempt obligation (for example, bond bank).	
k Other	
10 If the issuer has designated any issue under section 265(b)(3)(B)(i)(III) (small issue exception), check this box	<input checked="" type="checkbox"/>
11 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check this box (see instructions)	<input type="checkbox"/>
12 Vendor's or bank's name: KS StateBank	
13 Vendor's or bank's employer identification number: 48 0760380	

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.				
		8/12/15		CRAIG RUDOLPHY FINANCE DIRECTOR	
Paid Preparer Use Only	Print/Type preparer's name H. Evan Howe	Preparer's signature 	Date 07/22/2015	Check <input type="checkbox"/> if self-employed	PTIN P01438994
	Firm's Name ▶ Baystone Financial LLC	Firm's EIN ▶ 48-1223987			
	Firm's Address ▶ 12980 Metcalf, Suite 310, Overland Park, KS 66213	Phone no. (800) 752-3562			
	Digitally signed by H. Evan Howe Date: 2015.07.22 16:39:43 -05'00'				

General Instructions

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

What's New

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

Purpose of Form

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

Who Must File

Issuers of tax-exempt governmental obligations with issue prices of less than \$100,000 must file Form 8038-GC.

Issuers of a tax-exempt governmental obligation with an issue price of \$100,000 or more must file Form 8038-G, Information Return for Tax-Exempt Governmental Obligations.

Filing a separate return for a single issue. Issuers have the option to file a separate Form 8038-GC for any tax-exempt governmental obligation with an issue price of less than \$100,000.

An issuer of a tax-exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that an election was made to

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

Filing a consolidated return for multiple issues. For all tax-exempt governmental obligations with issue prices of less than \$100,000 that are not reported on a separate Form 8038-GC, an issuer must file a consolidated information return including all such issues issued within the calendar year.

Thus, an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues issued during the calendar year on one consolidated Form 8038-GC. However, if the issue is a construction issue, a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate.



RETURN COMPLETED
 QUOTATION TO:

Town Of Fountain Hills
 16705 E. Avenue of the Fountains
 Fountain Hills Arizona 85268

Company: Konica Minolta

Address: 4415 E. Cotton Center Blvd

City: Phoenix State: AZ Zip: 85268

Attn: Mike Ciccarone

Phone: 480-816-5100

Fax: 480-837-3145

www.fh.az.gov

REQUEST FOR QUOTATION

DUE DATE	07/01/2015
----------	------------

IMPORTANT QUOTING INSTRUCTIONS

1. Submit your quotation on this form. Fill out completely including delivery.
2. Include descriptive literature as necessary for evaluation.
3. Sales tax shall be included in the unit price for each item.
4. Pricing to remain firm for a period of 60 days from receipt in the Procurement Office.
5. If further information is required before quoting, please call contact above.

ITEM	DESCRIPTION	QUANTITY & UNIT	UNIT PRICE	EXTENDED PRICE
	<p>Konica Minolta bizhub C654e Copy Machine</p> <p>This copy machine lease and maintenance contract is subject to the terms of Mohave Educational Service Cooperative Contract No. 101-KMBS-0127, which is incorporated herein by reference.</p> <p>See attached Mohave quote for machine configuration 60 Month Lease</p> <p>Delivery within <u>21</u> days</p>	1	\$212.09 per month	\$12,725.40

THIS IS NOT A PURCHASE ORDER

By executing this document and/or submitting a quotation and/or delivering goods to the Town of Fountain Hills, the authorized agent agrees (i) he/she has read the Town's Standard Terms and Conditions, dated December 3, 2014, as set forth on the Town of Fountain Hills website (www.fh.az.gov/po-terms), which are incorporated into and become a part of the company's quotation offer as if set forth fully herein and (ii) the company shall be bound by the Standard Terms and Conditions, dated December 3, 2014.

<i>Mitchell Hill</i>	
SIGNATURE OF AUTHORIZED AGENT	
<i>MITCHELL HILL</i>	<i>MAJOR ACCOUNT EXECUTIVE</i>
TYPED OR PRINTED NAME	TITLE
<i>KONICA MINOLTA</i>	<i>/ /</i>
<i>602-798-7340</i>	<i>7-15-2015</i>
TELEPHONE NO	DATE

INSTRUCTIONS AND CONDITIONS

1. Bid price shall be made F.O.B. Fountain Hills to the designated delivery points within the Town.
2. Vendors must state the manufacturer of each product quoted on in conformity with the specifications.
3. All quotations must be signed with the firm name and by an authorized agent, officer or employee.
4. Award will be made on an individual or overall lowest price basis, whichever is most advantageous to the Town of Fountain Hills.

Quotations resulting in \$30,000 or greater will not be authorized and will require a formal procurement process.

ACCEPTANCE OF OFFER AND CONTRACT AWARD (For Town of Fountain Hills Only)

The Vendor Quotation Offer is hereby accepted. The Vendor shall not commence any billable work or provide any materials under this Contract prior to the date a purchase order is issued by the Town of Fountain Hills.

Town of Fountain Hills, an Arizona municipal corporation.

 Date: 7/15/2015
[Name, Title]



June 17, 2015

Formal Proposal

OBLIGOR: TOWN OF FOUNTAIN HILLS

- ✓ This is a finance/ownership contract.
- ✓ Fixed interest rate for the Five (5) Year term.

EQUIPMENT: NEW COPIERS

Acquisition Cost:	\$10,182.69	Term:	Five (5) Years	First Payment Due:	At Closing
Sales Tax:	\$845.16	Payment Mode:	Monthly in Advance	Payment Amount:	\$212.09
Trade In:	\$0.00	Interest Rate:	5.990%		
Principal Balance:	\$11,027.85	Rate Factor:	0.019232		

- ◆ The copier equipment must be under a service contract for a period of time that at least matches or exceeds the contract purchase term.
- ◆ This transaction must be credit approved, documents properly executed and returned to Baystone Government Finance and the transaction funded on ALL proposals on or before July 17, 2015. If funding does not occur within that time-frame, or there is a change of circumstance which adversely affects the expectations, rights, or security of Obligee or its assignees, then Obligee or its assignees reserve the right to adjust and determine a new interest rate factor and payment amount, or withdraw this proposal in its entirety.
- ◆ This transaction must be designated as tax-exempt under Section 103 of the Internal Revenue Code of 1986 as amended.
- ◆ Obligor's total amount of tax-exempt debt to be issued in this calendar year will not exceed the \$10,000,000 limit.
- ◆ This is a proposal only and is not a commitment to finance. This proposal is subject to credit review and approval and proper execution of mutually acceptable documentation.
- ◆ Failure to consummate this transaction once credit approval is granted and the documents are drafted and delivered to Obligor will result in a documentation fee being assessed to the Obligor.
- ◆ This proposal is based on Baystone Government Finance Mohave Contract # 13R-BFG-0127.

<p>BAYSTONE GOVERNMENT FINANCE <i>William Bauman</i></p>	<p style="text-align: center;">TOWN OF FOUNTAIN HILLS</p> <p>Signature: Typed Name & Title: Date:</p>
---	--

5225 N Central Avenue, Suite 218, Phoenix, AZ 85012
 Local: (602) 650-1184 Toll Free: 888-345-0071 Fax: (602) 650-1194
 wbauman@bfgfinancial.net
 www.baystone.net

KM C654e State of Arizona Contract				
	Model/Description	Purchase Price	Monthly lease Price	
bizhub C654e Color Copier/Printer/Color Scanner 3650 sheet paper supply <i>CPC Maintenance includes the cost of all service and supplies except paper.</i>	C654e Copier/Printer/Scanner	\$8,431.48	\$170.81	
	FS - 535 100 Sheet Stapling Finisher	\$1,510.00	\$33.37	
	ZU-606 Z-Folding Unit	\$2,754.94	\$60.88	
	PK-521 2 & 3 Hole Punch Kit	\$431.50	\$9.54	
	Total as Configured	\$13,127.92	\$274.60 (60 Month Lease)	
TOTAL PER UNIT				
Maintenance Plan				
	\$95.00 Monthly	Unlimited B&W	Color Billed at: \$0.05 Each	

KM C654e Mohave Contract			
	Model/Description	Purchase Price	Monthly lease Price
bizhub C654e Color Copier/Printer/Color Scanner 3650 sheet paper supply <i>CPC Maintenance includes the cost of all service and supplies except paper.</i>	C654e Copier/Printer/Scanner	\$6,335.47	\$124.84
	FS-535 100 Sheet Stapling Finisher	\$1,040.00	\$20.01
	ZU-606 Z-Folding Unit	\$1,907.57	\$33.69
	PK-521 2&3 Hole Punch Kit	\$259.00	\$4.98
	SD-512 Saddle Stitch Finisher	\$640.65	\$12.32
	Total as Configured	\$10,182.69	\$195.84 (60 Month Lease)
TOTAL PER UNIT			
Maintenance Plan			
	\$99.61 Monthly	Unlimited B&W	Color Billed at: \$0.03

Maintenance can also be chosen on a flat CPC basis, billed only for what is printed. Arizona State Contract, B&W at \$0.0047, Color at \$0.05
 Mohave Contract, B&W at \$0.0049, Color at \$0.03 (If you do less than 20,000 B&W monthly, this would be a less expensive option.)

C654e - Color Scanning, Single Pass Duplex Scanner, Accounting Codes, Post Script, PCL and XPS Print Drivers Standard

PLEASE CONTACT Mitchell Hill AT 602-798-7340 AND/OR MHill@KMBS.KONICAMINOLTA.US WITH ANY QUESTIONS.

Copier Capital Lease Analysis

Cost 11,027.85
 Interest 5.99%
 Term 5 years
 Payment Mode Monthly in Advance
 Depreciation 183.80

payment #	Asset Cost	Payment	Interest Expense	Principal	Lease Liab	Depreciation	Asset Book Value	Total Expense
0	11,027.85	212.09		212.09	10,815.76		11,027.85	0.00
1	10,815.76	212.09	53.99	158.10	10,657.66	183.80	10,844.05	237.79
2	10,657.66	212.09	53.20	158.89	10,498.77	183.80	10,660.25	237.00
3	10,498.77	212.09	52.41	159.68	10,339.09	183.80	10,476.45	236.21
4	10,339.09	212.09	51.61	160.48	10,178.61	183.80	10,292.65	235.41
5	10,178.61	212.09	50.81	161.28	10,017.33	183.80	10,108.85	234.61
6	10,017.33	212.09	50.00	162.09	9,855.24	183.80	9,925.05	233.80
7	9,855.24	212.09	49.19	162.90	9,692.34	183.80	9,741.25	232.99
8	9,692.34	212.09	48.38	163.71	9,528.63	183.80	9,557.45	232.18
9	9,528.63	212.09	47.56	164.53	9,364.10	183.80	9,373.65	231.36
10	9,364.10	212.09	46.74	165.35	9,198.75	183.80	9,189.85	230.54
11	9,198.75	212.09	45.92	166.17	9,032.58	183.80	9,006.05	229.72
12	9,032.58	212.09	45.09	167.00	8,865.58	183.80	8,822.25	228.89
13	8,865.58	212.09	44.25	167.84	8,697.74	183.80	8,638.45	228.05
14	8,697.74	212.09	43.42	168.67	8,529.07	183.80	8,454.65	227.22
15	8,529.07	212.09	42.57	169.52	8,359.55	183.80	8,270.85	226.37
16	8,359.55	212.09	41.73	170.36	8,189.19	183.80	8,087.05	225.53
17	8,189.19	212.09	40.88	171.21	8,017.98	183.80	7,903.25	224.68
18	8,017.98	212.09	40.02	172.07	7,845.91	183.80	7,719.45	223.82
19	7,845.91	212.09	39.16	172.93	7,672.98	183.80	7,535.65	222.96
20	7,672.98	212.09	38.30	173.79	7,499.19	183.80	7,351.85	222.10
21	7,499.19	212.09	37.43	174.66	7,324.53	183.80	7,168.05	221.23
22	7,324.53	212.09	36.56	175.53	7,149.00	183.80	6,984.25	220.36
23	7,149.00	212.09	35.69	176.40	6,972.60	183.80	6,800.45	219.49
24	6,972.60	212.09	34.80	177.29	6,795.31	183.80	6,616.65	218.60
25	6,795.31	212.09	33.92	178.17	6,617.14	183.80	6,432.85	217.72
26	6,617.14	212.09	33.03	179.06	6,438.08	183.80	6,249.05	216.83
27	6,438.08	212.09	32.14	179.95	6,258.13	183.80	6,065.25	215.94
28	6,258.13	212.09	31.24	180.85	6,077.28	183.80	5,881.45	215.04
29	6,077.28	212.09	30.34	181.75	5,895.53	183.80	5,697.65	214.14
30	5,895.53	212.09	29.43	182.66	5,712.87	183.80	5,513.85	213.23
31	5,712.87	212.09	28.52	183.57	5,529.30	183.80	5,330.05	212.32
32	5,529.30	212.09	27.60	184.49	5,344.81	183.80	5,146.25	211.40
33	5,344.81	212.09	26.68	185.41	5,159.40	183.80	4,962.45	210.48
34	5,159.40	212.09	25.75	186.34	4,973.06	183.80	4,778.65	209.55
35	4,973.06	212.09	24.82	187.27	4,785.79	183.80	4,594.85	208.62
36	4,785.79	212.09	23.89	188.20	4,597.59	183.80	4,411.05	207.69
37	4,597.59	212.09	22.95	189.14	4,408.45	183.80	4,227.25	206.75
38	4,408.45	212.09	22.01	190.08	4,218.37	183.80	4,043.45	205.81
39	4,218.37	212.09	21.06	191.03	4,027.34	183.80	3,859.65	204.86
40	4,027.34	212.09	20.10	191.99	3,835.35	183.80	3,675.85	203.90
41	3,835.35	212.09	19.14	192.95	3,642.40	183.80	3,492.05	202.94
42	3,642.40	212.09	18.18	193.91	3,448.49	183.80	3,308.25	201.98
43	3,448.49	212.09	17.21	194.88	3,253.61	183.80	3,124.45	201.01
44	3,253.61	212.09	16.24	195.85	3,057.76	183.80	2,940.65	200.04
45	3,057.76	212.09	15.26	196.83	2,860.93	183.80	2,756.85	199.06

Copier Capital Lease Analysis

Cost 11,027.85
 Interest 5.99%
 Term 5 years
 Payment Mode Monthly in Advance
 Depreciation 183.80

payment #	Asset Cost	Payment	Interest Expense	Principal	Lease Liab	Depreciation	Asset Book Value	Total Expense
46	2,860.93	212.09	14.28	197.81	2,663.12	183.80	2,573.05	198.08
47	2,663.12	212.09	13.29	198.80	2,464.32	183.80	2,389.25	197.09
48	2,464.32	212.09	12.30	199.79	2,264.53	183.80	2,205.45	196.10
49	2,264.53	212.09	11.30	200.79	2,063.74	183.80	2,021.65	195.10
50	2,063.74	212.09	10.30	201.79	1,861.95	183.80	1,837.85	194.10
51	1,861.95	212.09	9.29	202.80	1,659.15	183.80	1,654.05	193.09
52	1,659.15	212.09	8.28	203.81	1,455.34	183.80	1,470.25	192.08
53	1,455.34	212.09	7.26	204.83	1,250.51	183.80	1,286.45	191.06
54	1,250.51	212.09	6.24	205.85	1,044.66	183.80	1,102.65	190.04
55	1,044.66	212.09	5.21	206.88	837.78	183.80	918.85	189.01
56	837.78	212.09	4.18	207.91	629.87	183.80	735.05	187.98
57	629.87	212.09	3.14	208.95	420.92	183.80	551.25	186.94
58	420.92	212.09	2.10	209.99	210.93	183.80	367.45	185.90
59	210.93	212.09	1.05	211.04	-0.11	183.80	183.65	184.85
60	-0.11	0.00	0.00	0.00	-0.11	183.65	0.00	183.65
Totals		12,725.40	1,697.44	11,027.96		11,027.85		