



City of Jonesboro

300 S. Church Street
Jonesboro, AR 72401

Signature Copy

Resolution: R-EN-171-2020

File Number: RES-20:198

Enactment Number: R-EN-171-2020

A RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO ENTER INTO A TWO YEAR LEASE CONTRACT FOR THE PURCHASE OF TWO AUTOMATED SANITATION TRUCKS

WHEREAS, the City of Jonesboro, Arkansas passed the 2020 Budget in Resolution RES-19:201, which included the lease obligations for two automated sanitation trucks; and

WHEREAS, the City of Jonesboro, Arkansas desires to enter into a two year lease contract with U.S. Bancorp for two Heil 28 yard DuraPack Python Automated Sanitation trucks from Rivercity Hydraulics, Inc.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS,
THAT:

Section 1: The Mayor, Harold Perrin and City Clerk, Donna Jackson, are hereby authorized by the City Council for the City of Jonesboro to execute all documents necessary to effectuate the agreement.

PASSED AND APPROVED THIS 5TH DAY OF NOVEMBER 2020.

DOCUMENT CHECKLIST
PLEASE SCAN ALL OF THE DOCUMENT TO EF.DOCS.GLF@USBANK.COM
PRIOR TO SENDING ORIGINALS TO ADDRESS BELOW

PLEASE EXECUTE ONE (1) ORIGINAL SET OF ALL DOCUMENTS
(NO FRONT & BACK COPIES, PLEASE)

RETURN ALL ORIGINALS TO:
U.S. BANCORP GOVERNMENT LEASING AND FINANCE, INC.
KEVIN JARAMILLO
950 17TH STREET, 8TH FLOOR
DENVER, CO 80202
303-585-4079

- Addendum/Amendment to Master Tax-Exempt Installment Purchase Agreement** – This document must be executed in the presence of a witness/attestor. The attesting witness does not have to be a notary, just present at the time of execution.
- Property Schedule No. 2** - This document must be executed in the presence of a witness/attestor. The attesting witness does not have to be a notary, just present at the time of execution.
- Property Description and Payment Schedule – Exhibit 1**
- Purchaser’s Counsel’s Opinion – Exhibit 2.** This exhibit will need to be executed by your attorney, dated and placed on their letterhead. Your attorney will likely want to review the agreement prior to executing this opinion.
- Purchaser’s General and Incumbency Certificate – Exhibit 3.** Include in your return package a copy of the board minutes or resolution for our files.
- Payment of Proceeds Instructions – Exhibit 4.** This is for the vendor payment information. If more than one vendor is being paid please make copies of this exhibit and fill out as many as are needed.
 - IRS Form W-9.** This document should be completed for each vendor being paid. Please make copies and fill out as many as are needed.
- Acceptance Certificate – Exhibit 5.** The date that all equipment is delivered, installed and accepted is the date that should be placed on the “DATE” line. If moneys are being deposited into escrow this exhibit should be held and returned with the final disbursement from the escrow account.
- Bank Qualification and Arbitrage Rebate – Exhibit 6.**
- Notification of Tax Treatment** – Please provide your State of Sales/Use tax Exemption Certificate, if applicable.
- Form 8038-G** – Blank form and instructions provided to Purchaser. Please consult your CPA, local legal or bond counsel to fill out.
- Vehicle Titling Memo**
- Insurance Authorization and Verification** – To be filled out by the Purchaser and sent to your insurance carrier. A valid insurance certificate, or self-insurance letter if the Purchaser self-insures, is required prior to funding.
- Invoice for First Payment** - Included for your convenience.

ADDENDUM (ARKANSAS)
Master Tax-Exempt Installment Purchase Agreement

THIS ADDENDUM, which is entered into as of October 30, 2020 between U.S. Bancorp Government Leasing and Finance, Inc. ("Seller") and City of Jonesboro ("Purchaser"), is intended to modify and supplement Property Schedule No. 2 (the "Property Schedule") to the Master Tax-Exempt Installment Purchase Agreement between Seller and Purchaser date as of September 20, 2019 (the "Master Agreement"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Master Agreement.

1. If Purchaser is a county, Purchaser represents, warrants and covenants to and with Seller that, as of the Commencement Date for the Property Schedule, the aggregate principal component of Installment Payments payable under the Property Schedule, when combined with the aggregate principal amount of all other outstanding short-term financing obligations incurred by Purchaser pursuant to Amendment 78 to the Constitution of the State of Arkansas, does not exceed two and one half percent (2-1/2%) of the assessed value of taxable property located within Purchaser, as determined by the last tax assessment completed before the Commencement Date *[attach computation of test]*.

2. If Purchaser is a municipality, Purchaser represents, warrants and covenants to and with Seller that, as of the Commencement Date for the Property Schedule, the aggregate principal component of Installment Payments payable under the Property Schedule, when combined with the aggregate principal amount of all other outstanding short-term financing obligations incurred by Purchaser pursuant to Amendment 78 to the Constitution of the State of Arkansas, does not exceed five percent (5%) of the assessed value of taxable property located within Purchaser, as determined by the last tax assessment completed before the Commencement Date *[attach computation of test]*.

IN WITNESS WHEREOF, Seller and Purchaser have caused this Addendum to be executed in their names by their duly authorized representatives as of the date first above written.

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|--|
| Seller: U.S. Bancorp Government Leasing and Finance, Inc. |
| By: |
| Name: |
| Title: |

Property Schedule No. 2

Master Tax-Exempt Installment Purchase Agreement

This **Property Schedule No. 2** is entered into as of the Commencement Date set forth below, pursuant to that certain Master Tax-Exempt Installment Purchase Agreement (the "Master Agreement"), dated as of September 20, 2019, between U.S. Bancorp Government Leasing and Finance, Inc., and City of Jonesboro.

1. Interpretation. The terms and conditions of the Master Agreement are incorporated herein by reference as if fully set forth herein. Reference is made to the Master Agreement for all representations, covenants and warranties made by Purchaser in the execution of this Property Schedule, unless specifically set forth herein. In the event of a conflict between the provisions of the Master Agreement and the provisions of this Property Schedule, the provisions of this Property Schedule shall control. All capitalized terms not otherwise defined herein shall have the meanings provided in the Master Agreement.
2. Commencement Date. The Commencement Date for this Property Schedule is October 30, 2020.
3. Property Description and Payment Schedule. The Property subject to this Property Schedule is described in Exhibit 1 hereto. Purchaser shall not remove such property from the locations set forth therein without giving prior written notice to Seller. The Installment Payment Schedule for this Property Schedule is set forth in Exhibit 1. It includes all replacements, parts, repairs, additions, accessions and accessories incorporated therein or affixed or attached thereto and any and all proceeds of the foregoing, including, without limitation, insurance recoveries.
4. Opinion. The Opinion of Purchaser's Counsel is attached as Exhibit 2.
5. Purchaser's Certificate. The Purchaser's Certificate is attached as Exhibit 3.
6. Proceeds. Seller shall disburse the proceeds of this Property Schedule in accordance with the instructions attached hereto as Exhibit 4.
7. Acceptance Certificate. The form of Acceptance Certificate is attached as Exhibit 5.
8. Additional Purchase Option Provisions. In addition to the Purchase Option provisions set forth in the Master Agreement, Installment Payments payable under this Property Schedule shall be subject to prepayment in whole at any time by payment of the applicable Termination Amount set forth in Exhibit 1 (Payment Schedule) and payment of all accrued and unpaid interest through the date of prepayment.

This Property Schedule No. 2 is subject to optional redemption before maturity at the sole option of the Purchaser from any available monies at any time, in whole and not in part, on any date after November 30, 2021, at a redemption price equal to 100% of the outstanding principal amount of this Property Schedule, plus interest accrued to the date fixed for redemption, plus a prepayment indemnity ("Prepayment Fee") equal to the greater of zero, or that amount, calculated on any date of redemption ("Prepayment Date"), which is derived by subtracting: (a) the outstanding principal amount of the Property Schedule on such Prepayment Date from (b) the Net Present Value of the outstanding principal amount of the Property Schedule on such Prepayment Date; provided, however, that the Prepayment Fee shall not in any event exceed the maximum prepayment fee permitted by applicable law.

"Net Present Value" shall mean the amount which is derived by summing the present values of each prospective payment of principal (including mandatory sinking fund redemptions) and interest which, without such full or partial prepayment, could otherwise have been received by the Seller over the shorter of the remaining contractual life of the Property Schedule. The individual discount rate used to present value each prospective payment of interest and/or principal shall be the Money Market Rate At Prepayment for the maturity matching that of each specific payment of principal and/or interest.

"Money Market Rate At Prepayment" shall mean that zero-coupon rate, calculated on the Prepayment Date, and determined solely by the Seller, as the rate at which the Seller would be able to borrow funds in Money Markets for the prepayment amount matching the maturity of a specific prospective Property Schedule payment, adjusted for any reserve requirement and any subsequent costs arising from a change in government regulation. A separate Money Market Rate At Prepayment will be calculated for each prospective interest and/or principal payment date.

"Money Markets" shall mean one or more wholesale funding markets available to and selected by the Seller, including negotiable certificates of deposit, commercial paper, Eurodollar deposits, bank notes, federal funds, interest rate swaps or others.

In calculating the amount of such Prepayment Fee, the Seller is hereby authorized by the Purchaser to make such assumptions regarding the source of funding, redeployment of funds and other related matters, as the Seller may deem appropriate. If the Purchaser fails to pay any Prepayment Fee when due, the amount of such Prepayment Fee shall thereafter bear interest until paid at the rate per annum that would be applicable to this Property Schedule following a Rate Increase Trigger Event. The Seller's internal records of applicable interest rates shall be determinative in the absence of manifest error.

The Purchaser hereby acknowledges to the Seller that the Purchaser shall be required to pay the Prepayment Fee with respect to any portion of the principal balance paid before its scheduled due date or the date of a mandatory sinking fund redemption payment with respect thereto, whether voluntarily, involuntarily, or otherwise, including without limitation any principal payment made following default, demand for payment, collection proceedings, foreclosure, sale or other disposition of collateral, bankruptcy or other insolvency proceedings, or otherwise. Such Prepayment Fee shall at all times be an obligation as well as an undertaking by the Purchaser to the Seller whether arising out of a voluntary or mandated prepayment.

9. Private Activity Issue. Purchaser understands that among other things, in order to maintain the exclusion of the interest component of Installment Payments from gross income for federal income tax purposes, it must limit and restrict the rights private businesses (including, for this purpose, the federal government and its agencies and organizations described in the Code § 501(c)(3)) have to use the Property. Each of these requirements will be applied beginning on the later of the Commencement Date or date each portion of the Property is placed in service and will continue to apply until earlier of the end of the economic useful life of the property or the date the Agreement or any tax-exempt obligation issued to refund the Property Schedule is retired (the "Measurement Period"). Purchaser will comply with the requirements of Section 141 of the Code and the regulations thereunder which provide restrictions on special legal rights that users other than Purchaser or a state or local government or an agency or instrumentality of a state or a local government (an "Eligible User") may have to use the Property. For this purpose, special legal rights may arise from a management or service agreement, Installment, research agreement or other arrangement providing any entity except an Eligible User the right to use the Property. Any use of the Property by a user other than an Eligible User is referred to herein as "Non-Qualified Use". Throughout the Measurement Period, all of the Property is expected to be owned by Purchaser. Throughout the Measurement Period, Purchaser will not permit the Non-Qualified Use of the Property to exceed 10%.

10. Bank Qualification and Arbitrage Rebate. Attached as Exhibit 6.

11. Expiration. Seller, at its sole determination, may choose not to accept this Property Schedule if the fully executed, original Master Agreement (including this Property Schedule and all ancillary documents) is not received by Seller at its place of business by December 24, 2020.

IN WITNESS WHEREOF, Seller and Purchaser have caused this Property Schedule to be executed in their names by their duly authorized representatives as of the Commencement Date above.

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| Seller: U.S. Bancorp Government Leasing and Finance, Inc. |
| By: |
| Name: |
| Title: |

EXHIBIT 1

Property Description and Payment Schedule

Re: **Property Schedule No. 2** to Master Tax-Exempt Installment Purchase Agreement between U.S. Bancorp Government Leasing and Finance, Inc. and City of Jonesboro.

The Property is as follows: The Property as more fully described in Exhibit A incorporated herein by reference and attached hereto.

PROPERTY LOCATION:

Address

City, State Zip Code

USE: Sanitation Trucks - This use is essential to the proper, efficient and economic functioning of Purchaser or to the services that Purchaser provides; and Purchaser has immediate need for and expects to make immediate use of substantially all of the Property, which need is not temporary or expected to diminish in the foreseeable future.

Installment Payment Schedule

Total Principal Amount: \$599,360.80

| Payment No. | Due Date | Installment Payment | Principal Portion | Interest Portion | Termination Amount (After Making Payment for said Due Date) |
|-------------|-------------|---------------------|-------------------|------------------|---|
| 1 | 30-Nov-2020 | 10,744.38 | 9,820.36 | 924.02 | NA |
| 2 | 30-Dec-2020 | 10,744.38 | 9,835.50 | 908.88 | NA |
| 3 | 30-Jan-2021 | 10,744.38 | 9,850.67 | 893.71 | NA |
| 4 | 28-Feb-2021 | 10,744.38 | 9,865.85 | 878.53 | NA |
| 5 | 30-Mar-2021 | 10,744.38 | 9,881.06 | 863.32 | NA |
| 6 | 30-Apr-2021 | 10,744.38 | 9,896.30 | 848.08 | NA |
| 7 | 30-May-2021 | 10,744.38 | 9,911.55 | 832.83 | NA |
| 8 | 30-Jun-2021 | 10,744.38 | 9,926.83 | 817.55 | NA |
| 9 | 30-Jul-2021 | 10,744.38 | 9,942.14 | 802.24 | NA |
| 10 | 30-Aug-2021 | 10,744.38 | 9,957.47 | 786.91 | NA |
| 11 | 30-Sep-2021 | 10,744.38 | 9,972.82 | 771.56 | NA |
| 12 | 30-Oct-2021 | 10,744.38 | 9,988.19 | 756.19 | NA |
| 13 | 30-Nov-2021 | 10,744.38 | 10,003.59 | 740.79 | 484,623.71 |
| 14 | 30-Dec-2021 | 10,744.38 | 10,019.01 | 725.37 | 474,304.13 |
| 15 | 30-Jan-2022 | 10,744.38 | 10,034.46 | 709.92 | 463,968.64 |
| 16 | 28-Feb-2022 | 10,744.38 | 10,049.93 | 694.45 | 453,617.21 |
| 17 | 30-Mar-2022 | 10,744.38 | 10,065.42 | 678.96 | 443,249.83 |
| 18 | 30-Apr-2022 | 10,744.38 | 10,080.94 | 663.44 | 432,866.46 |
| 19 | 30-May-2022 | 10,744.38 | 10,096.48 | 647.90 | 422,467.09 |
| 20 | 30-Jun-2022 | 10,744.38 | 10,112.05 | 632.33 | 412,051.68 |
| 21 | 30-Jul-2022 | 10,744.38 | 10,127.64 | 616.74 | 401,620.21 |
| 22 | 30-Aug-2022 | 10,744.38 | 10,143.25 | 601.13 | 391,172.67 |
| 23 | 30-Sep-2022 | 10,744.38 | 10,158.89 | 585.49 | 380,709.01 |
| 24 | 30-Oct-2022 | 10,744.38 | 10,174.55 | 569.83 | 370,229.23 |

| | | | | | |
|--------------|-------------|-------------------|-------------------|------------------|------|
| 25 | 30-Nov-2022 | 360,000.00 | 359,445.85 | 554.15 | 0.00 |
| TOTAL | | 617,865.12 | 599,360.80 | 18,504.32 | |

Interest Rate: 1.85%

EXHIBIT 2

Purchaser's Counsel's Opinion

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

October 30, 2020

U.S. Bancorp Government Leasing and Finance, Inc.
13010 SW 68th Parkway, Suite 100
Portland, OR 97223

City of Jonesboro
300 S Church Street
PO Box 1845
Jonesboro, AR 72403
Attention: Harold Perrin

RE: Property Schedule No. 2 dated as of October 30, 2020 to Master Tax-Exempt Installment Purchase Agreement dated as of September 20, 2019 between U.S. Bancorp Government Leasing and Finance, Inc. and City of Jonesboro.

Ladies and Gentlemen:

We have acted as special counsel to City of Jonesboro ("Purchaser"), in connection with the Master Tax-Exempt Installment Purchase Agreement, dated as of September 20, 2019 (the "Master Agreement"), between City of Jonesboro, as Purchaser, and U.S. Bancorp Government Leasing and Finance, Inc. as Seller ("Seller"), and the execution of Property Schedule No. 2 (the "Property Schedule") dated as of October 30, 2020, pursuant to the Master Agreement. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

All capitalized terms not otherwise defined herein shall have the meanings provided in the Master Agreement and Property Schedule.

As to questions of fact material to our opinion, we have relied upon the representations of Purchaser in the Master Agreement and the Property Schedule and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. Purchaser is a public body corporate and politic, duly organized and existing under the laws of the State, and has a substantial amount of one or more of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) the police power.

2. Purchaser has all requisite power and authority to enter into the Master Agreement and the Property Schedule and to perform its obligations thereunder.

3. The execution, delivery and performance of the Master Agreement and the Property Schedule by Purchaser has been duly authorized by all necessary action on the part of Purchaser.

4. All proceedings of Purchaser and its governing body relating to the authorization and approval of the Master Agreement and the Property Schedule, the execution thereof and the transactions contemplated thereby have been conducted in accordance with all applicable open meeting laws and all other applicable state and federal laws.

5. Purchaser has acquired or has arranged for the acquisition of the Property subject to the Property Schedule, and has entered into the Master Agreement and the Property Schedule, in compliance with all applicable public bidding laws.

6. Purchaser has obtained all consents and approvals of other governmental authorities or agencies which may be required for the execution, delivery and performance by Purchaser of the Master Agreement and the Property Schedule.

7. The Master Agreement and the Property Schedule have been duly executed and delivered by Purchaser and constitute legal, valid and binding obligations of Purchaser, enforceable against Purchaser in accordance with the terms thereof, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other laws of equitable principles of general application, or of application to municipalities or political subdivisions such as the Purchaser, affecting remedies or creditors' rights generally, and to the exercise of judicial discretion in appropriate cases.

8. As of the date hereof, based on such inquiry and investigation as we have deemed sufficient, no litigation is pending, (or, to our knowledge, threatened) against Purchaser in any court (a) seeking to restrain or enjoin the delivery of the Master Agreement or the Property Schedule or of other agreements similar to the Master Agreement; (b) questioning the authority of Purchaser to execute the Master Agreement or the Property Schedule, or the validity of the Master Agreement or the Property Schedule, or the payment of principal of or interest on, the Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Master Agreement and the Property Schedule; or (d) affecting the provisions made for the payment of or security for the Master Agreement and the Property Schedule.

This opinion may be relied upon by Seller, its successors and assigns, and any other legal counsel who provides an opinion with respect to the Property Schedule.

Very truly yours,

By: _____

Name: _____

Title: _____

Dated: _____

EXHIBIT A

Property Description

Two (2) Sanitation Truck

VIN #'s

1. _____

2. _____

EXHIBIT 3

Purchaser's General and Incumbency Certificate

GENERAL CERTIFICATE

Re: **Property Schedule No. 2** dated as of October 30, 2020 to the Master Tax-Exempt Installment Purchase Agreement dated September 20, 2019 between U.S. Bancorp Government Leasing and Finance, Inc. and City of Jonesboro.

The undersigned, being the duly elected, qualified and acting *M. Ayer*
(Title of Person to Execute Installment Purchase Agreement)

of the City of Jonesboro ("Purchaser") does hereby certify, as of October 30, 2020, as follows:

1. Purchaser did, at a meeting of the governing body of the Purchaser, by resolution or ordinance duly enacted, in accordance with all requirements of law, approve and authorize the execution and delivery of the above-referenced Property Schedule (the "Property Schedule") and the Master Tax-Exempt Installment Purchase Agreement (the "Master Agreement") by the undersigned.

2. The meeting(s) of the governing body of the Purchaser at which the Master Agreement and the Property Schedule were approved and authorized to be executed was duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, and the enactment approving the Master Agreement and the Property Schedule and authorizing the execution thereof has not been altered or rescinded. All meetings of the governing body of Purchaser relating to the authorization and delivery of Master Agreement and the Property Schedule have been: (a) held within the geographic boundaries of the Purchaser; (b) open to the public, allowing all people to attend; (c) conducted in accordance with internal procedures of the governing body; and (d) conducted in accordance with the charter of the Purchaser, if any, and the laws of the State.

3. No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default or a Nonappropriation Event (as such terms are defined in the Master Agreement) exists at the date hereof with respect to this Property Schedule or any other Property Schedules under the Master Agreement.

4. The acquisition of all of the Property under the Property Schedule has been duly authorized by the governing body of Purchaser.

5. Purchaser has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Lease Payments scheduled to come due during the current budget year under the Property Schedule and to meet its other obligations for the current budget year and such funds have not been expended for other purposes.

6. As of the date hereof, no litigation is pending, (or, to my knowledge, threatened) against Purchaser in any court (a) seeking to restrain or enjoin the delivery of the Master Agreement or the Property Schedule or of other agreements similar to the Master Agreement; (b) questioning the authority of Purchaser to execute the Master Agreement or the Property Schedule, or the validity of the Master Agreement or the Property Schedule, or the payment of principal of or interest on, the Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Master Agreement and the Property Schedule; or (d) affecting the provisions made for the payment of or security for the Master Agreement and the Property Schedule.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of October 30, 2020.

INCUMBENCY CERTIFICATE

Re: **Property Schedule No. 2** dated as of October 30, 2020 to the Master Tax-Exempt Installment Purchase Agreement dated as of September 20, 2019 between U.S. Bancorp Government Leasing and Finance, Inc. and City of Jonesboro.

The undersigned, being the duly elected, qualified and acting Secretary or Clerk of the City of Jonesboro ("Purchaser") does hereby certify, as of October 30, 2020, as follows:

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

EXHIBIT 5

Acceptance Certificate

U.S. Bancorp Government Leasing and Finance, Inc.
13010 SW 68th Parkway, Suite 100
Portland, OR 97223

Re: **Property Schedule No. 2** to Master Tax-Exempt Installment Purchase Agreement between U.S. Bancorp Government Leasing and Finance, Inc. and City of Jonesboro

Ladies and Gentlemen:

In accordance with the above-referenced Master Tax-Exempt Installment Purchase Agreement (the "Master Agreement"), the undersigned ("Purchaser") hereby certifies and represents to, and agrees with, U.S. Bancorp Government Leasing and Finance, Inc. ("Seller"), as follows:

- (1) The Property, as such terms are defined in the above-referenced Property Schedule, has been acquired, made, delivered, installed and accepted on the date indicated below.
- (2) Purchaser has conducted such inspection and/or testing of the Property as it deems necessary and appropriate and hereby acknowledges that it accepts the Property for all purposes.
- (3) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default (as such term is defined in the Master Agreement) exists at the date hereof.

Acceptance Date: _____

EXHIBIT 6

Bank Qualification And Arbitrage Rebate

U.S. Bancorp Government Leasing and Finance, Inc.
13010 SW 68th Parkway, Suite 100
Portland, OR 97223

Re: **Property Schedule No. 2** to Master Tax-Exempt Installment Purchase Agreement between U.S. Bancorp Government Leasing and Finance, Inc. and City of Jonesboro

PLEASE CHECK EITHER:

Bank Qualified Tax-Exempt Obligation under Section 265

_____ Purchaser hereby designates this Property Schedule as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Code. Purchaser reasonably anticipates issuing tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds and including all tax-exempt obligations of subordinate entities of the Purchaser) during the calendar year in which the Commencement Date of this Property Schedule falls, in an amount not exceeding \$10,000,000.

or

_____ Not applicable.

Arbitrage Rebate

Eighteen Month Exception:

Pursuant to Treasury Regulations Section 1.148-7(d), the gross proceeds of this Property Schedule will be expended for the governmental purposes for which this Property Schedule was entered into, as follows: at least 15% within six months after the Commencement Date, at least 60% within 12 months after the Commencement Date, and 100% within 18 months after the Commencement Date. If Purchaser is unable to comply with Section 1.148-7(d) of the Treasury Regulations, Purchaser shall compute rebatable arbitrage on this Agreement and pay rebatable arbitrage to the United States at least once every five years, and within 60 days after payment of the final Lease Payment due under this Agreement.

Consult tax counsel if there is any chance that the Eighteen Month Exception will not be met.

Language for UCC Financing Statements

Property Schedule No. 2

SECURED PARTY: U.S. Bancorp Government Leasing and Finance, Inc.

DEBTOR: City of Jonesboro

This financing statement covers all of Debtor's right, title and interest, whether now owned or hereafter acquired, in and to the equipment sold to Debtor under Property Schedule No. 2 dated October 30, 2020 to that certain Master Tax-Exempt Installment Purchase Agreement dated as of September 20, 2019, in each case between Debtor, as Purchaser, and Secured Party, as Seller, together with all accessions, substitutions and replacements thereto and therefor, and proceeds (cash and non-cash), including, without limitation, insurance proceeds, thereof, including without limiting, all equipment described on Exhibit A attached hereto and made a part hereof.

Debtor has no right to dispose of the equipment.

Notification of Tax Treatment to Master Tax-Exempt Installment Purchase Agreement

This **Notification of Tax Treatment** is pursuant to Property Schedule No. 2 to the Master Tax-Exempt Installment Purchase Agreement dated as of October 30, 2020 and the related Property Schedule, between Seller and Purchaser (the "Agreement").

- Purchaser agrees that this Property Schedule SHOULD be subject to sales/use taxes
- Purchaser agrees that this Property Schedule should NOT be subject to sales/use taxes and Purchaser has included our tax-exemption certificate with this document package
- Purchaser agrees that this Property Schedule should NOT be subject to sales/use taxes and no tax-exemption certificate is issued to us by the State
- Purchaser agrees that this Property Schedule is a taxable transaction and subject to any/all taxes
- Purchaser agrees that this Property Schedule is subject to sales/use taxes and will pay those taxes directly to the State or Vendor

IN WITNESS WHEREOF, Purchaser has caused this Notification of Tax Treatment to be executed by their duly authorized representative.

VEHICLE TITLING ADDENDUM

Master Tax-Exempt Installment Purchase Agreement dated September 20, 2019 and related Property Schedule No. 2 dated October 30, 2020, between City of Jonesboro as Purchaser and U.S. Bancorp Government Leasing and Finance, Inc. as Seller.

1. Seller and Purchaser hereby agree to amend the above referenced Agreement to add additional terms and conditions as set forth below:

Purchaser agrees that it will provide to Seller the original title documentation to the Equipment. Purchaser shall provide such title documentation to Seller within 15 days of Purchaser's receipt of such title documentation from the appropriate titling authority. Purchaser's failure to provide Seller with title documentation to the Equipment in a timely fashion shall be deemed a condition of Default as defined in the default paragraph herein subject to remedies available to Seller pursuant to the remedies paragraph.

2. Location: Seller agrees that in regard to the location of the equipment, Purchaser must be responsible for maintaining records showing the location of each piece of Leased equipment. Purchaser will report this location to Seller upon written request by Seller. Failure to do so shall constitute a breach of the Agreement, which default shall be governed by the terms and conditions specified in the default and/or remedies paragraph of the Agreement.

3. Purchaser will complete the physical titling of the vehicle as required by the state of Purchaser's residence and guarantee U.S. Bancorp Government Leasing and Finance, Inc. that U.S. Bancorp Government Leasing and Finance, Inc. will receive the original title to the leased vehicle in a timely manner. Purchaser agrees to indemnify U.S. Bancorp Government Leasing and Finance, Inc. from any damage or loss it incurs, including legal fees, due to its failure to complete its agreement herein.

THE APPLICATION FOR TITLE MUST INCLUDE THE FOLLOWING AS 1ST LIEN HOLDER:

**U.S. BANCORP GOVERNMENT LEASING AND FINANCE, INC.
1310 MADRID STREET
MARSHALL, MN 56258**

By signing this Addendum, Purchaser acknowledges the above changes to the Agreement and authorizes Seller to make such changes. In all other respects the terms and conditions of the Agreement remain in full force and effect.

| |
|--|
| Seller: U.S. Bancorp Government Leasing and Finance, Inc. |
| By: |
| Name: |
| Title: |
| Date: |

INSURANCE AUTHORIZATION AND VERIFICATION

Date: October 30, 2020

Property Schedule No. 2

To: City of Jonesboro (the "Purchaser")

From: U.S. Bancorp Government Leasing and Finance, Inc. (the
"Seller")
1310 Madrid Street
Marshall, MN 56258

TO THE PURCHASER: In connection with the above-referenced Property Schedule, Seller requires proof in the form of this document, executed by both Purchaser* and Purchaser's agent, that Purchaser's insurable interest in the financed property (the "Property") meets Seller's requirements as follows, with coverage including, but not limited to, fire, extended coverage, vandalism, and theft:

Seller, AND ITS SUCCESSORS AND ASSIGNS, shall be covered as both ADDITIONAL INSURED and LENDER'S LOSS PAYEE with regard to all equipment financed or leased by policy holder through or from Seller. All such insurance shall contain a provision to the effect that such insurance shall not be canceled or modified without first giving written notice thereof to Seller and Purchaser at least thirty (30) days in advance of such cancellation or modification.

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

Purchaser must carry PROPERTY Insurance (or, for vehicles, Physical Damage Insurance) in an amount no less than the 'Insurable Value' \$599,360.80, with deductibles no more than \$25,000.00.

**Purchaser: Please execute this form and return with your document package. Please fax this form to your insurance agency for endorsement. In lieu of agent endorsement, Purchaser's agency may submit insurance certificates demonstrating compliance with all requirements.*

By signing, Purchaser authorizes the Agent named below: 1) to complete and return this form as indicated; and 2) to endorse the policy and subsequent renewals to reflect the required coverage as outlined above.

| | | |
|---------------|--|--|
| Agency/Agent: | | |
| Address: | | |
| | | |
| Phone/Fax: | | |
| Email: | | |

TO THE AGENT: In lieu of providing a certificate, please execute this form in the space below and promptly send a PDF scan to Seller at: EF.Docs.GLF@usbank.com - This fully endorsed form shall serve as proof that Purchaser's insurance meets the above requirements.

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

Print Name Of Agency: **X** _____

By: **X** _____
(Agent's Signature)

Print Name: **X** _____

Date: **X** _____

Insurable Value: \$599,360.80

ATTACHED: PROPERTY DESCRIPTION FOR PROPERTY SCHEDULE NO. 2



Government Leasing and Finance, Inc.

FIRST PAYMENT INVOICE

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

SCHEDULE NUMBER: 077-0000080-002

DUE DATE: November 30, 2020

CREATE DATE: October 15, 2020

AMOUNT DUE: \$10,744.38

City of Jonesboro
300 S Church Street
PO Box 1845
Jonesboro, AR 72403
Attention: Accounts Payable Dept.
Customer Phone Number: 870-932-1052

U.S. Bancorp Government Leasing and Finance, Inc.
P.O. Box 959067
1005 Convention Plaza
St. Louis, MO 63101-9067

PLEASE RETAIN THIS PORTION FOR YOUR RECORDS

ALL PAYMENTS MUST BE SENT TO THIS ADDRESS:

**U.S. BANCORP GOVERNMENT LEASING AND FINANCE, INC.
PO BOX 959067
1005 CONVENTION PLAZA
ST. LOUIS, MO 63101**

U.S. Bancorp Government Leasing and Finance, Inc.
P.O. Box 959067
1005 Convention Plaza
St. Louis, MO 63101-9067

ACCOUNT: 077-0000080-002
AMOUNT DUE: \$10,744.38
DUE DATE: November 30, 2020
CREATE DATE: October 15, 2020

QUESTIONS? PLEASE CALL (303-585-4079)

INVOICE SUMMARY

| | |
|-----------------|-------------|
| Current Charges | \$10,744.38 |
| | |
| Total Due | \$10,744.38 |

TOTAL AMOUNT DUE THIS INVOICE MUST BE PAID WITHIN TEN (10) DAYS TO AVOID LATE CHARGES



Remit to:
 River City Hydraulics, Inc.
 P.O. Box 6033
 Sherwood, AR 72124
 Phone: (501) 835-5230
 Fax: (501) 834-1233

Invoice

| | |
|------------|-----------|
| Date | Invoice # |
| 10/14/2020 | 23666 |

| |
|---|
| Bill To |
| City of Jonesboro PO BOX 1845 Jonesboro, AR 72403 |

| |
|---|
| Ship To |
| City of Jonesboro 2603 Dan Avenue Jonesboro, AR 72401 |

| P.O. No. | Terms | Due Date | Rep | Ship Date | Ship Via | Unit Number |
|-------------------|--|------------|-----|-----------------|--------------|-------------|
| | Due on receipt | 10/14/2020 | JM | 2/20/2020 | | |
| Item | Description | Qty | U/M | Rate | Amount | |
| Truck | Heil 28 yard DuraPack Python Automated Collection Body SN: 7E7307653 mounted on 2020 Mack LR Dual Drive Chassis, VIN: 1M2LR1GCXMM004365 | 1 | | 305,902.00 | 305,902.00 | |
| SOURCEWELL DIS... | Sourcewell Discount River City Hydraulics Guaranteed Buyback after 24 months \$180,000 each. Contingent Upon Complete Unit Meeting Trade Terms and Conditions. Heil Sourcewell Contract # 112014-THC Jonesboro Sourcewell Member #141314 Full Factory Mount Tri Cuff Grabbers Hopper and Lift Work Lights LED Multi Function LED Strobe Lights Body Back Assist Flood Lights LED Mud Flaps ahead of rear tires Hopper Hood 20lb Fire Extinguisher Infinity Packer Cylinders w/ Scraper Rods 3rd Eye Camera System - 3 Cameras 2 year Warranty on Complete Vehicle. | 1 | | -6,221.60 | -6,221.60 | |
| | Lienholder US Bancorp Government Leasing & Financing, Inc 1310 Madrid Street Marshall, MN 56258 | | | | | |
| | | | | Subtotal | \$299,680.40 | |

Please include invoice number with payment. Returned items may be subject to a 20% restocking fee. All invoices and account balances paid by credit card will incur a 4% surcharge by the card processor. Please call (501) 835-5230 to explore other payment options. Overdue invoices will be subject to a monthly finance charge of 3%.

| | |
|-------------------------|--------------|
| Sales Tax (8.5%) | \$0.00 |
| Total | \$299,680.40 |

EXHIBIT 4

Payment of Proceeds Instructions

U.S. Bancorp Government Leasing and Finance, Inc.
13010 SW 68th Parkway, Suite 100
Portland, OR 97223

Re: Property Schedule No. 2 (the "Property Schedule") to Master Tax-Exempt Installment Purchase Agreement between U.S. Bancorp. Government Leasing and Finance, Inc. ("Seller") and City of Jonesboro ("Purchaser").

Ladies and Gentlemen:

The undersigned, an Authorized Representative of the Purchaser hereby requests and authorizes Seller to disburse the net proceeds of the Property Schedule as follows:

Name of Payee:

River City Hydraulics, Inc.

By Check: _____

By Wire Transfer: _____

If by check, Payee's Address:

If by wire transfer, instructions as follows:

Pay to Bank Name:

First Security Bank

Bank Address:

17810 Cantrell Road, Little Rock AR 72222

Bank Phone #:

501.217.4500

For Account of:

River City Hydraulics, Inc.

Account No:

721085

ABA No.:

082901538



Remit to:
 River City Hydraulics, Inc.
 P.O. Box 6033
 Sherwood, AR 72124
 Phone: (501) 835-5230
 Fax: (501) 834-1233

Invoice

| | |
|------------|-----------|
| Date | Invoice # |
| 10/14/2020 | 23641 |

| |
|---|
| Bill To |
| City of Jonesboro PO BOX 1845 Jonesboro, AR 72403 |

| |
|---|
| Ship To |
| City of Jonesboro 2603 Dan Avenue Jonesboro, AR 72401 |

| P.O. No. | Terms | Due Date | Rep | Ship Date | Ship Via | Unit Number |
|-------------------|--|------------|-----|-----------------|--------------|-------------|
| | Due on receipt | 10/14/2020 | JM | 2/20/2020 | | |
| Item | Description | Qty | U/M | Rate | Amount | |
| Truck | Heil 28 yard DuraPack Python Automated Collection Body SN: 7E307654 mounted on 2020 Mack LR Dual Drive Chassis, VIN: 1M2LR1GC8MM004364 | 1 | | 305,902.00 | 305,902.00 | |
| SOURCEWELL DIS... | Sourcewell Discount River City Hydraulics Guaranteed Buyback after 24 months \$180,000 each. Contingent Upon Complete Unit Meeting Trade Terms and Conditions. Heil Sourcewell Contract # 112014-THC Jonesboro Sourcewell Member #141314 Full Factory Mount Tri Cuff Grabbers Hopper and Lift Work Lights LED Multi Function LED Strobe Lights Body Back Assist Flood Lights LED Mud Flaps ahead of rear tires Hopper Hood 20lb Fire Extinguisher Infinity Packer Cylinders w/ Scraper Rods 3rd Eye Camera System - 3 Cameras 2 year Warranty on Complete Vehicle. | | | -6,221.60 | -6,221.60 | |
| | Lienholder US Bancorp Government Leasing & Financing, Inc. 1310 Madrid Street Marshall, MN 56258 | | | | | |
| | | | | Subtotal | \$299,680.40 | |

Please include invoice number with payment. Returned items may be subject to a 20% restocking fee. All invoices and account balances paid by credit card will incur a 4% surcharge by the card processor. Please call (501) 835-5230 to explore other payment options. Overdue invoices will be subject to a monthly finance charge of 3%.

| | |
|-------------------------|--------------|
| Sales Tax (8.5%) | \$0.00 |
| Total | \$299,680.40 |

▶ 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.

▶ Go to www.irs.gov/F8038G for instructions and the latest information.

| | | |
|---|------------|---|
| Part I Reporting Authority | | If Amended Return, check here <input type="checkbox"/> |
| 1 Issuer's name | | 2 Issuer's employer identification number (EIN) |
| 3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) | | 3b Telephone number of other person shown on 3a |
| 4 Number and street (or P.O. box if mail is not delivered to street address) | Room/suite | 5 Report number (For IRS Use Only) 3 |
| 6 City, town, or post office, state, and ZIP code | | 7 Date of issue |
| 8 Name of issue | | 9 CUSIP number |
| 10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (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 ▶ | 18 | | |
| 19a If bonds are TANs or RANs, check only box 19a | | <input type="checkbox"/> | |
| b If bonds are BANs, check only box 19b | | <input type="checkbox"/> | |
| 20 If bonds are in the form of a lease or installment sale, check box | | <input type="checkbox"/> | |

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

| | (a) Final maturity date | (b) Issue price | (c) Stated redemption price at maturity | (d) Weighted average maturity | (e) Yield |
|----|-------------------------|-----------------|---|-------------------------------|-----------|
| 21 | | \$ | \$ | years | % |

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

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

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

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

Part VI Miscellaneous

| | | | |
|---|------------|--|--|
| 35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) | 35 | | |
| 36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions | 36a | | |
| b Enter the final maturity date of the GIC ▶ (MM/DD/YYYY) _____ | | | |
| c Enter the name of the GIC provider ▶ _____ | | | |
| 37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units | 37 | | |
| 38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ <input type="checkbox"/> and enter the following information: | | | |
| b Enter the date of the master pool bond ▶ (MM/DD/YYYY) _____ | | | |
| c Enter the EIN of the issuer of the master pool bond ▶ _____ | | | |
| d Enter the name of the issuer of the master pool bond ▶ _____ | | | |
| 39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ <input type="checkbox"/> | | | |
| 40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ <input type="checkbox"/> | | | |
| 41a If the issuer has identified a hedge, check here ▶ <input type="checkbox"/> and enter the following information: | | | |
| b Name of hedge provider ▶ _____ | | | |
| c Type of hedge ▶ _____ | | | |
| d Term of hedge ▶ _____ | | | |
| 42 If the issuer has superintegrated the hedge, check box ▶ <input type="checkbox"/> | | | |
| 43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶ <input type="checkbox"/> | | | |
| 44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶ <input type="checkbox"/> | | | |
| 45a If some portion of the proceeds was used to reimburse expenditures, check here ▶ <input type="checkbox"/> and enter the amount of reimbursement ▶ _____ | | | |
| b Enter the date the official intent was adopted ▶ (MM/DD/YYYY) _____ | | | |

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

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

| | | | | | |
|-------------------------------|----------------------------|----------------------|------|---|--------------|
| Paid Preparer Use Only | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
| | Firm's name ▶ | | | | Firm's EIN ▶ |
| | Firm's address ▶ | | | | Phone no. |

Instructions for Form 8038-G



Department of the Treasury
Internal Revenue Service

(Rev. September 2018)

Information Return for Tax-Exempt Governmental Bonds

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

Future Developments

For the latest information about developments related to Form 8038-G and its instructions, such as legislation enacted after they were published, go to IRS.gov/Form8038G.

What's New

The Tax Cuts and Jobs Act (P.L. 115-97) repealed the exclusion from gross income for interest on bonds issued to advance refund tax-exempt bonds. The repeal applies to advance refunding bonds issued after 2017. A bond is an advance refunding bond if it is issued more than 90 days before the redemption of the refunded bonds.

The Tax Cuts and Jobs Act also repealed the authority to issue tax-credit bonds and direct-pay bonds. The repeal applies to qualified forestry conservation bonds, new clean renewable energy bonds, qualified energy conservation bonds, qualified zone academy bonds, and qualified school construction bonds issued after 2017. The authority to issue recovery zone economic development bonds and build America bonds expired on January 1, 2011.

Note. The creation of an advance refunding escrow account to advance refund tax-credit bonds and/or direct-pay bonds may result in the reissuance of the bonds and the loss of the tax benefits.

General Instructions

Purpose of Form

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

Who Must File

| IF the issue price (line 21, column (b)) is... | THEN, for tax-exempt governmental bonds 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. |

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 (PDS) designated by the IRS to meet the "timely mailing as timely filing" rule for tax returns. Go to IRS.gov/PDS for the current list of designated services.

The PDS can tell you how to get written proof of the mailing date.

For the IRS mailing address to use if you're using PDS, go to IRS.gov/PDSstreetAddresses.



CAUTION PDS can't deliver items to P.O. boxes. You must use the U.S. Postal Service to mail any item to an IRS P.O. box address.

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.

Rounding to Whole Dollars

You can round off cents to whole dollars. If you do round to whole dollars, you must round all amounts. To round, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar (for example, \$1.39 becomes \$1 and \$2.50 becomes \$3).

If two or more amounts must be added to figure the amount to enter on a line, include cents when adding the amounts and round off only the total.

Definitions

Bond. This is any obligation, including bond, note, commercial paper, installment purchase agreement, or financing lease.

Taxable bond. This is any bond the interest on which is not excludable from gross income under section 103. Taxable bonds include tax credit bonds and direct pay bonds.

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

Private activity bond. This includes a bond 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 bonds is generally determined under Regulations section 1.148-1(f). Thus, when issued for cash, the issue price is the first price at which a substantial amount of the bonds are sold to the public. To determine the issue price of a bond issued for property, see sections 1273 and 1274 and the related regulations.

Issue. Generally, bonds 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 (see Regulations section 1.149(e)-1(e)(2)). However, bonds 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 bonds 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 bonds issued under a draw-down loan that meet the requirements of the preceding sentence, bonds 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 bond. Likewise, bonds (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 bond.

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.

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 bonds, 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 online by visiting the IRS website at [IRS.gov/EIN](https://www.irs.gov/EIN). The organization may also apply for an EIN by faxing or mailing Form SS-4 to the IRS.

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 on 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 first date on which the issuer physically exchanges any bond included in 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 bonds issued by entering the issue price in the box corresponding to the type of bond (see *Issue price* under *Definitions*, earlier). Attach a schedule listing names and EINs of organizations that are to use proceeds of these bonds, 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 bonds are short-term tax anticipation notes or warrants (TANs) or short-term revenue anticipation notes or warrants (RANs), check box 19a. If the bonds 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 bond, for example, acquiring a police car, a fire truck, or telephone equipment through a series of monthly payments. (This type of bond is sometimes referred to as a "municipal lease.") Also check this box if real property is directly acquired in exchange for a bond to make periodic payments of interest and principal. **Do not** check this box if the proceeds of the bond are received in the form of cash, even if the term "lease" is used in the title of the issue.

Part III—Description of Bonds

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 figure the present value of all payments of principal and interest to be paid on the bond, produces an amount equal to the purchase price, including accrued interest. See Regulations section 1.148-4 for specific rules to figure 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 on the issue accruing prior to the date of issue. For definition of date of issue, see these instructions, line 7.

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 tax-exempt bonds, including proceeds that will be used to fund an escrow account for this purpose.

Line 28. Enter the amount of the proceeds that will be used to pay principal, interest, or call premium on any taxable bonds, 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 or taxable 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 tax-exempt bonds or taxable bonds will be refunded, enter the date of issue for each refunded 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*, earlier), 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*, earlier), check the box and where asked for the date of issue, EIN, and name of the issuer of the master pool bond, 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 figuring 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 for 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 I, 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 send us comments through [IRS.gov/FormComments](https://www.irs.gov/FormComments).

Or you can write to:

Internal Revenue Service
 Tax Forms and Publications
 1111 Constitution Ave. NW, IR-6526
 Washington, DC 20224

Do not send the form to this address. Instead, see *Where To File*, earlier.