

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT BOARD OF EDUCATION
AGENDA STATEMENT

No. 11 d.

MEETING OF March 26, 2025

ITEM TITLE:

CONSENT CALENDAR:

Motion to approve additional authorization for a four-year lease agreement with American Capital for student Chromebooks and staff laptops

REVIEWED BY:

Superintendent
 Finance

SUBMITTED BY: Daniel Schuler, Business Manager 907 247 2116

APPROVED FOR SUBMITTAL: Michael Robbins, Superintendent

SUMMARY STATEMENT:

The School Board is being asked to approve additional spending authorization for a three-year spending program.

ISSUE: Board Policy governs the district's purchasing and contracting procedures. Board Policy requires Board approval for expenditures and financial obligations over \$25,000.

RECOMMENDATION:

Approval of an additional spending authorization of annual \$55,000 to the original overall not-to-exceed three-year lease agreement price of \$165,000 for the acquisition of the software subscription of VMware

ATTACHMENTS: ii

- Lease Agreement

FISCAL NOTE:

EXPENDITURE REQUIRED: \$55,000 (not to exceed) AMOUNT BUDGETED: \$165,000

RECOMMENDED ACTION: "I move that the Board of Education approve an additional authorization for a three-year lease agreement with American Capital Finance in the amount not to exceed \$55,000 for fiscal year 2024-2025 and \$165,000 over the three-year term of the agreement."

American Capital

2015 Ogden Avenue, Suite 400
Lisle, IL 60532
(630) 512-0066
Fax (630) 512-0070

March 7, 2025

**PLEASE RETURN ALL ORIGINAL SIGNED
DOCUMENTS TO THE ADDRESS ABOVE.**

PLEASE PRINT SINGLE SIDED!

Daniel Schuler
Ketchikan Gateway Borough School District
333 Schoenbar Rd
Ketchikan, AK 99901

Dear Daniel,

Thank you for choosing American Capital for your equipment leasing needs. Please have the authorized person sign the following documents for Schedule B and return all copies to my attention. For verification of original documents, please execute in blue ink:

Government Obligation Contract: Authorized signer signs on page 4 where indicated. An attest signature is required.

Exhibit A: for review, no signature required. Please print the equipment location(s) at the bottom.

Exhibit B: Authorized signer signs at the bottom where indicated.

Exhibit C: Please leave top portion blank. Authorized signer signs at the bottom.

Exhibit D: Have authorized signer sign where indicated.

Exhibit E: Please fill in the information for the vendor where indicated.

Notice of Assignment: Authorized signer signs at the bottom where indicated.

Insurance Requirements: Complete the information at the bottom. Please forward a copy to the insurance company.

Debit Authorization (Preferred): Please complete the form, sign date, and included a voided business check.

IRS Form 8038-GC: Authorized signer signs and dates at the bottom where indicated.

Credit Application: Have the authorized signer sign & date at the bottom where indicated.

Thank you for your prompt attention in this matter. If you have any questions, please do not hesitate to call.

Sincerely,

Diana Feliberty

Diana Feliberty
(630)512-0066 ext. 110
dfeliberty@amcapfinance.com



GOVERNMENT OBLIGATION CONTRACT

Obligor

Ketchikan Gateway Borough School District, a Component
Unit of the Ketchikan Gateway Borough
333 Schoenbar Road
Ketchikan, Alaska 99901

Obligee

American Capital Financial Services, Inc.
2015 Ogden Avenue, Suite 400
Lisle, Illinois 60532

Dated as of June 30, 2025

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

I. Definitions

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

"Additional Schedule" refers to the proper execution of additional schedules to Exhibit A and Exhibit B, as well as other exhibits or documents that may be required by the Obligee all of which relate to the financing of additional Equipment.

"Budget Year" means the Obligor's fiscal year.

"Commencement Date" is the date when Obligor's obligation to pay Contract Payments begins.

"Contract" means this Government Obligation Contract and all Exhibits attached hereto, all addenda, modifications, schedules, refinancings, guarantees and all documents relied upon by Obligee prior to execution of this Contract.

"Contract Payments" means the payments Obligor is required to make under this Contract as set forth on Exhibit B.

"Contract Term" means the Original Term and all Renewal Terms.

"Exhibit" includes the Exhibits attached hereto, and any "Additional Schedule", whether now existing or subsequently created.

"Equipment" means all of the items of Equipment listed on Exhibit A and any Additional Schedule, whether now existing or subsequently created, and all replacements, restorations, modifications and improvements.

"Government" as used in the title hereof means a State or a political subdivision of the State within the meaning of Section 103(a) of the Internal Revenue Code of 1986, as amended ("Code"), or a constituted authority or district authorized to issue obligations on behalf of the State or political subdivision of the State within the meaning of Treasury Regulation 1.103-1(b), or a qualified volunteer fire company within the meaning of section 150(e)(1) of the Code.

"Obligee" means the entity originally listed above as Obligee or any of its assignees.

"Obligor" means the entity listed above as Obligor and which is financing the Equipment through Obligee under the provisions of this Contract.

"Original Term" means the period from the Commencement Date until the end of the Budget Year of Obligor.

"Partial Prepayment Date" means the first Contract Payment date that occurs on or after the earlier of (a) the twenty-four month (24) anniversary of the Commencement Date or (b) the date on which Obligor has accepted all the Equipment and all amounts have been disbursed from the Vendor Payable Account to pay for the Equipment.

"Purchase Price" means the total cost of the Equipment, including all delivery charges, installation charges, legal fees, financing costs, recording and filing fees and other costs necessary to vest full, clear legal title to the Equipment in Obligor, subject to the security interest granted to and retained by Obligee as set forth in this Contract, and otherwise incurred in connection with the financing of this Equipment.

"Renewal Term" means the annual term which begins at the end of the Original Term and which is simultaneous with Obligor's Budget Year and each succeeding Budget Year for the number of Budget Years necessary to comprise the Contract Term.

"State" means the state which Obligor is located.

"Surplus Amount" means any amount on deposit in the Vendor Payable Account on the Partial Prepayment Date.

"Vendor Payable Account" means the separate account of that name established pursuant to Section X of this Contract.

II. Obligor Warranties

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

(a) Obligor is an "issuer of tax exempt obligations" because Obligor is the State or a political subdivision of the State within the meaning of Section 103(a) of the Internal Revenue Code of 1986, as amended, (the "Code") or because Obligor is a constituted authority or district authorized to issue obligations on behalf of the State or political subdivision of the State within the meaning of Treasury Regulation 1.103-1(b), or a qualified volunteer fire company within the meaning of section 150(e)(1) of the Code.

(b) Obligor has complied with any requirement for a referendum and/or competitive bidding.

(c) Obligor has complied with all statutory laws and regulations that may be applicable to the execution of this Contract; Obligor, and its officer executing this Contract, are authorized under the Constitution and laws of the State to enter into this Contract and have used and followed all proper procedures of its governing body in executing and delivering this Contract. The officer of Obligor executing this Contract has the authority to execute and deliver this Contract. This Contract constitutes a legal, valid, binding and enforceable obligation of the Obligor in accordance with its terms.

(d) Obligor shall use the Equipment only for essential, traditional government purposes.

(e) Should the IRS disallow the tax-exempt status of the interest portion of the Contract Payments as a result of the failure of the Obligor to use the Equipment for governmental purposes, or should the Obligor cease to be an issuer of tax exempt obligations, or should the obligation of Obligor created under this Contract cease to be a tax exempt obligation for any reason, then Obligor shall be required to pay additional sums to the Obligee or its assignees so as to bring the after tax yield on this Contract to the same level as the Obligee or its assignees would attain if the transaction continued to be tax-exempt.

(f) 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 the Equipment and any additional collateral free and clear of any liens, and Obligor has not and will not, during the Contract Term, create, permit, incur or assume any levies, liens or encumbrances of any kind with respect to the Equipment or any additional collateral except those created by this Contract.

(n) Obligor warrants, as applicable, the purchase of any telecommunications and video surveillance services or equipment financed hereunder complies with 2 CFR § 200.216 and 2 CFR § 200.471.

(o) Obligor warrants that it understands and has complied with 2 CFR § 200.322 in relation to domestic preferences for procurements, as applicable.

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. Obligees shall deposit or cause to be deposited with the Escrow Agent for credit to the Equipment Acquisition Fund the sum of N/A, which shall be held, invested and disbursed in accordance with the Escrow Agreement.

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

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

Section 3.02 Contract Payments. Obligor shall pay Contract Payments exclusively to Obligees or its assignees in lawful, legally available money of the United States of America. The Contract Payments shall be sent to the location specified by the Obligees or its assignees. The Contract Payments shall constitute a current expense of the Obligor and shall not constitute an indebtedness of the Obligor. The Contract Payments, payable without notice or demand, are due as set forth on Exhibit B. Obligees shall have the option to charge interest at the highest lawful rate on any Contract Payment received later than the due date for the number of days that the Contract Payment(s) were late, plus any additional accrual on the outstanding balance for the number of days that the Contract Payment(s) were late. Obligees shall also have the option, on monthly payments only, to charge a late fee of up to 10% of the monthly Contract Payment that is past due. Furthermore, Obligor agrees to pay any fees associated with the use of a payment system other than check, wire transfer, or ACH. Once all amounts due Obligees hereunder have been received, Obligees will release any and all of its rights, title and interest in the Equipment.

SECTION 3.03 CONTRACT PAYMENTS UNCONDITIONAL. Except as provided under Section 4.01, THE OBLIGATIONS OF OBLIGOR TO MAKE CONTRACT PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS CONTAINED IN THIS CONTRACT SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF, OR SUBJECT TO DEFENSE OR COUNTERCLAIM.

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

Section 3.05 Contract Term. The Contract Term shall be the Original Term and all Renewal Terms until all the Contract Payments are paid as set forth on Exhibit B except as provided under Section 4.01 and Section 9.01 below. If, after the end of the budgeting process which occurs at the end of the Original Term or any Renewal Term, Obligor has not non-appropriated as provided for in this Contract then the Contract Term shall be extended into the next Renewal Term and the Obligor shall be obligated to make all the Contract Payments that come due during such Renewal Term.

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

IV. Non-Appropriation

Section 4.01 Non-Appropriation. If insufficient funds are available in Obligor's budget for the next Budget Year to make the Contract Payments for the next Renewal Term and the funds to make such Contract Payments are otherwise unavailable 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.

V. Insurance, Damage, Insufficiency of Proceeds

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

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

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

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

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

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

VI. Title and Security Interest

Section 6.01 Title. Title to the Equipment shall vest in Obligor when Obligor acquires and accepts the Equipment. Title to the Equipment will automatically transfer to the Obligees in the event Obligor non-appropriates under Section 4.01 or in the event Obligor defaults under Section 9.01. In such event, Obligor shall execute and deliver to Obligees such documents as Obligees may request to evidence the passage of legal title to the Equipment to Obligees.

Section 6.02 Security Interest. To secure the payment of all Obligor's obligations under this Contract, as well as all other obligations, debts and liabilities, plus interest thereon, whether now existing or subsequently created, Obligor hereby grants to Obligees a security interest under the Uniform Commercial Code constituting a first lien on the Equipment described more fully on Exhibit A. Furthermore, Obligor agrees that any other collateral securing any other obligation(s) to Obligees, whether offered prior to or subsequent hereto, also secures this obligation. The security interest established by this section includes not only all additions, attachments, repairs and replacements to the Equipment but also all proceeds therefrom. Obligor authorizes Obligees

to prepare and record any Financing Statement required under the Uniform Commercial Code to perfect the security interest created hereunder. Obligor agrees that any Equipment listed on Exhibit A is and will remain personal property and will not be considered a fixture even if attached to real property.

VII. Assignment

Section 7.01 Assignment by Oblige. All of Oblige'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 Oblige 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 Oblige 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 Oblige 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. Oblige 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 Oblige 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 Oblige or its Assignee may execute any additional documents including financing statements, affidavits, notices, and similar instruments, for and on behalf of Obligor which Oblige deems necessary or appropriate to protect Oblige's interest in the Equipment and in this Contract. Obligor shall allow Oblige 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 Oblige that such payment must be made. If Obligor continues to fail to pay any payment after such period, then Oblige 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 Oblige, unless Oblige agrees in writing to an extension of time. Oblige 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 Oblige 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 Oblige.
- (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, Oblige shall have the right to take one or any combination of the following remedial steps:

- (a) With or without terminating this Contract, Oblige 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, Oblige may require Obligor at Obligor's expense to redeliver any or all of the Equipment and any additional collateral to Oblige 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, Oblige 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 Oblige 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) Oblige may take whatever action at law or in equity that may appear necessary or desirable to enforce its rights. Obligor shall be responsible to Oblige for all costs incurred by Oblige 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 Oblige 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 Oblige in the event of a default or a non-appropriation by delivering the Equipment and any additional collateral to the Oblige to a location accessible by common carrier and designated by Oblige. 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 Oblige all tangible items constituting such software. At Oblige's request, Obligor shall also certify in a form acceptable to Oblige that Obligor has complied with the above software return provisions and that they will immediately cease using the software and that they shall permit Oblige 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 Oblige by a common carrier unless the Oblige 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 Oblige'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 Oblige. 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 Oblige 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 Oblige 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 Oblige to sell or lease it to a third party and be free of all liens. If Oblige reasonably determines that the Equipment or an item of the Equipment, once it is returned, is not in the condition required hereby, Oblige 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 Oblige for all amounts reasonably expended in connection with the foregoing.
- (d) Storage: Upon written request by the Oblige, 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 Oblige. 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 Oblige shall reimburse the Obligor on demand for the incremental premium cost of providing such insurance.

X. Vendor Payable Account

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

Section 10.02 Down Payment. Prior to the disbursement of any funds from the Vendor Payable Account, the Obligor must either (1) deposit all the down payment funds that the Obligor has committed towards the purchase of the Equipment into the Vendor Payable Account or (2) Obligor must provide written verification to the satisfaction of the Oblige that all the down payment funds Obligor has committed towards the purchase of the Equipment have already been spent or are simultaneously being spent with the funds requested from the initial Payment Request

and Equipment Acceptance Form. For purposes of this Section, the down payment funds committed towards the Equipment from the Obligor are the down payment funds that were represented to the Obligee at the time this transaction was submitted for credit approval by the Obligor to the Obligee.

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

Section 10.04 Surplus Amount. Any Surplus Amount then on deposit in the Vendor Payable Account on the Partial Prepayment Date shall, at Obligee's sole discretion, either a) be returned to Obligor, or b) be applied to pay on such Partial Prepayment Date a portion of the Purchase Option Price then applicable.

Section 10.05 Recalculation of Contract Payments. Should Obligee decide to apply the Surplus Amount to the then applicable Purchase Option Price as provided in Section 10.04 above, each Contract Payment thereafter shall be reduced by an amount calculated by Obligee based upon a fraction the numerator of which is the Surplus Amount and the denominator of which is the Purchase Option Price on such Partial Prepayment Date. Within 15 days after such Partial Prepayment Date, Obligee shall provide to Obligor a revised Exhibit B to this Contract, which shall take into account such payment of a portion of the Purchase Option Price thereafter and shall be and become thereafter Exhibit B to this Contract. Notwithstanding any other provision of this Section 10, this Contract shall remain in full force and effect with respect to all or the portion of the Equipment accepted by Obligor as provided in this Contract, and the portion of the principal component of Contract Payments remaining unpaid after the Partial Prepayment Date plus accrued interest thereon shall remain payable in accordance with the terms of this Contract, including revised Exhibit B hereto which shall be binding and conclusive upon Obligee and Obligor.

XI. Miscellaneous

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

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

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

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

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

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

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

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

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

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

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

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

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

**Ketchikan Gateway Borough School District, a
Component Unit of the Ketchikan Gateway Borough**

American Capital Financial Services, Inc.

Signature

Signature

Printed Name and Title

Printed Name and Title

**Ketchikan Gateway Borough School District, a
Component Unit of the Ketchikan Gateway Borough
Attested By Authorized Individual:**

Signature

Printed Name and Title

EXHIBIT A

DESCRIPTION OF EQUIPMENT

RE: Government Obligation Contract dated as of June 30, 2025, between American Capital Financial Services, Inc. (Obligee) and Ketchikan Gateway Borough School District, a Component Unit of the Ketchikan Gateway Borough (Obligor)

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

VMware Foundations Licensing

Physical Address of Equipment after Delivery : _____

EXHIBIT B**PAYMENT SCHEDULE**

RE: Government Obligation Contract dated as of June 30, 2025, between American Capital Financial Services, Inc. (Obligee) and Ketchikan Gateway Borough School District, a Component Unit of the Ketchikan Gateway Borough (Obligor)

Date of First Payment: July 30, 2025
 Original Balance: \$139,939.20
 Total Number of Payments: Three (3)
 Number of Payments Per Year: One (1)

Pmt No.	Due Date	Contract Payment	Applied to Interest	Applied to Principal	*Purchase Option Price
1	30-Jul-25	\$50,609.62	\$931.88	\$49,677.74	\$93,257.52
2	30-Jul-26	\$50,609.62	\$7,212.81	\$43,396.81	\$47,907.62
3	30-Jul-27	\$50,609.62	\$3,744.97	\$46,864.65	\$0.00

**Ketchikan Gateway Borough School District, a
 Component Unit of the Ketchikan Gateway Borough**

 Signature

 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

EXHIBIT C

PAYMENT REQUEST AND EQUIPMENT ACCEPTANCE FORM

RE: Government Obligation Contract dated as of June 30, 2025, between American Capital Financial Services, Inc. (Obligee) and Ketchikan Gateway Borough School District, a Component Unit of the Ketchikan Gateway Borough (Obligor)

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

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

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

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

Email: acfsinc@amcapfinance.com
or
Fax: (630) 512-0070

Please call (630) 512-0066 if you have any questions.

**Ketchikan Gateway Borough School District, a
Component Unit of the Ketchikan Gateway Borough**

Signature

Printed Name and Title

EXHIBIT D
SIGNATURE CARD

RE: Government Obligation Contract dated as of June 30, 2025, between American Capital Financial Services, Inc. (Obligee) and Ketchikan Gateway Borough School District, a Component Unit of the Ketchikan Gateway Borough (Obligor)

The below signatures will be used for purposes of verifying the signature on a Payment Request and Equipment Acceptance Form prior to making payments from the Equipment Acquisition Fund or Vendor Payable Account. By signing below, the undersigned represents and warrants that s/he has received all appropriate authority from Ketchikan Gateway Borough School District, a Component Unit of the Ketchikan Gateway Borough.

**Ketchikan Gateway Borough School District, a
Component Unit of the Ketchikan Gateway Borough**

Signature

Printed Name and Title

Signature of additional authorized individual (optional) of Obligor

Signature

Printed Name and Title

EXHIBIT E

OBLIGOR ACKNOWLEDGEMENT

RE: Government Obligation Contract dated as of June 30, 2025, between American Capital Financial Services, Inc. (Obligee) and Ketchikan Gateway Borough School District, a Component Unit of the Ketchikan Gateway Borough (Obligor)

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

Please complete the below information, attach another page if necessary

Vendor Name: _____

Equipment: _____

Cost of Equipment: _____

Vendor Name: _____

Equipment: _____

Cost of Equipment: _____

Vendor Name: _____

Equipment: _____

Cost of Equipment: _____

Vendor Name: _____

Equipment: _____

Cost of Equipment: _____

Vendor Name: _____

Equipment: _____

Cost of Equipment: _____

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

NOTICE OF ASSIGNMENT

JUNE 30, 2025

American Capital Financial Services, Inc. (Obligee/Assignor) hereby gives notice of an Assignment between Obligee/Assignor and KS StateBank (Assignee) of the Government Obligation Contract (Contract) between Obligee/Assignor and Ketchikan Gateway Borough School District, a Component Unit of the Ketchikan Gateway Borough, dated as of June 30, 2025.

All Contract Payments coming due pursuant to the Contract shall be made to:

KS StateBank
P.O. Box 1608
Manhattan, Kansas 66505

American Capital Financial Services, Inc., Obligee/Assignor

Signature

Printed Name and Title

ACKNOWLEDGEMENT OF AND CONSENT TO ASSIGNMENT

Ketchikan Gateway Borough School District, a Component Unit of the Ketchikan Gateway Borough (Obligor) as party to a Government Obligation Contract dated as of June 30, 2025 between Obligor and American Capital Financial Services, Inc. (Obligee), hereby acknowledges receipt of a Notice of Assignment dated June 30, 2025 whereby Obligee gave notice of its assignment to KS StateBank of its right to receive all Contract Payments due from Obligor under the Contract and hereby consents to that Assignment. Pursuant to the Notice of Assignment from Obligee, Obligor agrees to deliver all Contract Payments coming due under the Contract to:

KS StateBank
P.O. Box 1608
Manhattan, Kansas 66505

**Ketchikan Gateway Borough School District, a
Component Unit of the Ketchikan Gateway Borough**

Signature

Printed Name and Title

INSURANCE REQUIREMENTS

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

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

Insured:

Ketchikan Gateway Borough School District, a Component Unit of the
Ketchikan Gateway Borough
333 Schoenbar Road
Ketchikan, Alaska 99901

Certificate Holder:

KS StateBank AOIA (and/or Its Assigns)
1010 Westloop, P.O. Box 69
Manhattan, Kansas 66505-0069

1. Equipment Description

- ◆ VMware Foundations Licensing
- ◆ Please include all applicable VIN's, serial numbers, etc.

2. Deductible

- ◆ The deductible amounts on the insurance policy should not exceed \$25,000.00.

3. Physical Damage

- ◆ All risk coverage to guarantee proceeds of at least \$139,939.20.

4. Loss Payee

- ◆ KS StateBank AOIA (and/or Its Assigns) MUST be listed as loss payee.

Please forward certificate as soon as possible to: Email: acfsinc@amcapfinance.com
or
Fax: (630) 512-0070

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

Ketchikan Gateway Borough School District, a Component Unit of the Ketchikan Gateway Borough

Insurance Company: _____

Agent's Name: _____

Telephone #: _____

Fax #: _____

Address: _____

City, State Zip: _____

Email: _____



3363836%ACHAUTHORIZATION%06.30.2025

PREFERRED

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

DEBIT AUTHORIZATION

I hereby authorize KS StateBank Government Finance Department to initiate debit entries for the Payment Amount (including, but not limited to, any late fees, rate changes, escrow modifications, etc.). I acknowledge that KS StateBank Government Finance Department may reinitiate returned entries up to two additional times, to the account indicated below at the financial institution named below and to debit the same to such account for:

Contract Number 3363836	Payment Amount \$50,609.62	Frequency of Payments Annual
Beginning _____ Month Year	Day of Month Debits will be made according to Exhibit B of the Contract	

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

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

Type of Account Checking Savings

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

This authority is to remain in full force and effect until KS StateBank has received written notification from any authorized signer of the account of its termination in such time and manner as to afford KS StateBank a reasonable opportunity to act on it.

Obligor Name on Contract Ketchikan Gateway Borough School District, a Component Unit of the Ketchikan Gateway Borough	
Signature	Printed Name and Title
Tax ID Number 92-0031096	Date

PLEASE ATTACH COPY OF A VOIDED CHECK TO THIS FORM!

USA Patriot Act

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

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)
▶ See separate instructions.

OMB No. 1545-0047

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		Check box if Amended Return <input type="checkbox"/>
1 Issuer's name Ketchikan Gateway Borough School District, a Component Unit of the Ketchikan Gateway Borough		2 Issuer's employer identification number (EIN) 92-0031096
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) 333 Schoenbar Road	Room/suite	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code Ketchikan, Alaska 99901		7 Date of issue 06/30/2025
8 Name of issue Government Obligation Contract		9 CUSIP number None
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information Mr. Daniel Schuler, Business and Operations Manager		10b Telephone number of officer or other employee shown on 10a (907) 247-2116

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 ▶ <u>VMware Foundations Licensing</u>	18	141,967	82
19 If obligations are TANs or RANs, check only box 19a			<input type="checkbox"/>
If obligations are BANs, check only box 19b			<input type="checkbox"/>
20 If obligations 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	07/30/2027	\$ 141,967.82	\$ 139,939.20	1.980 years	7.850 %

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	141,967	82
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	2,028	62
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	2,028	62
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	139,939	20

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)	▶	_____



AMERICAN CAPITAL FINANCIAL SERVICES SMALL TICKET APPLICATION
Return completed application with required financial information.

Legal Name of Lessee: Ketchikan Gateway Borough School District		Fed. Tax ID #: 92-0031096			
Address: 333 Schoenbar Road					
City: Ketchikan	County:	State: AK	Zip: 99901		
Contact Person: Daniel Schuler		Title: Business & Ops Manager			
Phone: (907) 247-2116		Fax: () -			
Email Address:					
Alternative Contact Person:		Title:	Phone: () -		
Date municipal entity was established:		Does the lessee self-insure for property & liability insurance?			
Total Cost of Equipment/Project: \$ 139,939.20		Term (years): 3			
*Down Payment: \$		Source of Down Payment (fund name):			
Trade In: \$	Payment Amount: \$	Delivery Date:			
Other: \$	Payment Due:	<input type="checkbox"/> Advance	<input checked="" type="checkbox"/> Arrears		
Amount to Finance: \$	Payments:	<input type="checkbox"/> Monthly	<input type="checkbox"/> Quarterly	<input type="checkbox"/> Semi-Annual	<input checked="" type="checkbox"/> Annual
*Lessee's down payment should be made before or at delivery. Proof of down payment is required prior to payment of any lease proceeds, unless otherwise negotiated.					
Has the lessee paid the vendor for any portion of the equipment being financed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, explain.					
What fund will the remaining lease payments be made from? <input checked="" type="checkbox"/> General <input type="checkbox"/> Special (specify)					
Equipment Description: (3) Year License for VMware vSphere Foundations 8					
New Equipment:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If no, list age of equipment or date manufactured:			
Refurbished:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Year:			
Replacement:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Age of current equipment: 3 years+	Year purchased:		
If not a replacement, why is the equipment needed?					
Buyout Included:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Amount of buyout included: \$			
Soft Costs Included:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Amount of soft costs included (shipping, software, and sales tax): \$			
Physical location of equipment after delivery: Throughout the District					
Describe the essential use of the equipment: IT Infrastructure Software/Security License					
Has the lessee ever defaulted or non-appropriated on a lease, bond, or legal obligation?		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
Will the lessee issue more than \$10,000,000 in tax-exempt debt in this calendar year?		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
Is the project a building? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, who owns the land?					
What is the physical address of the new building/project?					

Financial information required (for all funds):

Combined Total Funds of Lessee	Current Year	Prior Year
Total Revenue:	\$	
Total Expenditures:	\$	
Net Income:	\$	
Total Fund Balance:	\$	
If the lessee's expenditures exceeded revenues for any one of the last three years, explain why and what measures were taken to correct the shortfall:		

Completed By (signature):	Printed Name and Title:	Date:
---------------------------	-------------------------	-------

- **Additional financial information may be requested if deemed necessary during credit review.** A lost deal fee will be charged to the lessee if the transaction fails to fund once the transaction has been credit approved and lease documents delivered to the lessee. This fee will not be charged if the transaction is funded by American Capital Financial Services. **By signing this application lessee representative agrees to the following statement: "Everything stated in this application is correct to the best of my knowledge. I understand lessor will retain this application whether or not it is approved. Lessor is authorized to verify any information on this application with an appropriate third party as necessary to complete the credit review process."**