



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

SENT VIA US MAIL

December 4, 2015

Ms. Betty Hurst
Gila County, Arizona

Re: Financing for Gila County, Arizona for One (1) Bizhub 554e Copier with Accessories

Dear Ms. Hurst:

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

The interest rate you have been quoted is valid through January 2, 2016.

****This contract will not be considered valid and/or executed until KS StateBank has received all counter-signed contracts and required documentation.****

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

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

Sincerely,

Mr. Garret Wilson
Client Relations

DOCUMENTATION INSTRUCTIONS

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

I. Attached Documentation

1. Government Obligation Contract

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

2. Exhibit A – Description of Equipment

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

3. Exhibit B – Payment Schedule

- ◆ Sign and print name and title

4. Insurance Requirements

- ◆ Complete insurance company contact information where indicated.

5. Debit Authorization – (Preferred)

- ◆ Complete form and attach a voided check

6. 8038GC IRS Form

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

II. Additional Documentation Required

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

III. Condition to Funding

If, for any reason: (i) the required documentation is not returned by February 3, 2016, is incomplete, or has unresolved issues relating thereto, or (ii) on, or prior to the return of the documentation, there is a change of circumstance which adversely affects the expectations, rights or security of the Obligee or its assignees; then Obligee or its assignees reserve the right to adjust the quoted interest rate or withdraw/void its offer to fund this transaction in its entirety. *Neither KS StateBank nor Baystone Government Finance is acting as an advisor to the municipal entity/obligated person and neither owes a fiduciary duty pursuant to Section 15B of the Exchange Act of 1934.*

All documentation should be returned to:

KS StateBank
1680 Charles Place
Manhattan, Kansas 66502

GOVERNMENT OBLIGATION CONTRACT

Obligor

Gila County, Arizona
1400 East Ash Street
Globe, Arizona 85501

Obligee

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

Dated as of December 7, 2015

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

I. Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"State" means the state in which Obligor is located.

II. Obligor Warranties

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

- (a) Obligor is an "issuer of tax exempt obligations" because Obligor is the State or a political subdivision of the State within the meaning of Section 103(a) of the Internal Revenue Code of 1986, as amended, (the "Code") or because Obligor is a constituted authority or district authorized to issue obligations on behalf of the State or political subdivision of the State within the meaning of Treasury Regulation 1.103-1(b), or a qualified volunteer fire company within the meaning of section 150(e)(1) of the Code.
- (b) Obligor has complied with any requirement for a referendum and/or competitive bidding.
- (c) Obligor has complied with all statutory laws and regulations that may be applicable to the execution of this Contract; Obligor, and its officer executing this Contract, are authorized under the Constitution and laws of the State to enter into this Contract and have used and followed all proper procedures of its governing body in executing and delivering this Contract. The officer of Obligor executing this Contract has the authority to execute and deliver this Contract. This Contract constitutes a legal, valid, binding and enforceable obligation of the Obligor in accordance with its terms.
- (d) Obligor shall use the Equipment only for essential, traditional government purposes.
- (e) Should the IRS disallow the tax-exempt status of the interest portion of the Contract Payments as a result of the failure of the Obligor to use the Equipment for governmental purposes, or should the Obligor cease to be an issuer of tax exempt obligations, or should the obligation of Obligor created under this Contract cease to be a tax exempt obligation for any reason, then Obligor shall be required to pay additional sums to the Obligee or its assignees so as to bring the after tax yield on this Contract to the same level as the Obligee or its assignees would attain if the transaction continued to be tax-exempt.
- (f) Obligor has never non-appropriated funds under a contract similar to this Contract.
- (g) Obligor will submit to the Secretary of the Treasury an information reporting statement as required by the Code.
- (h) Upon request by Obligee, Obligor will provide Obligee with current financial statements, reports, budgets or other relevant fiscal information.
- (i) Obligor shall retain the Equipment free of any hazardous substances as defined in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et. seq. as amended and supplemented.
- (j) Obligor hereby warrants the General Fund of the Obligor is the primary source of funds or a backup source of funds from which the Contract Payments will be made.
- (k) Obligor presently intends to continue this Contract for the Original Term and all Renewal Terms as set forth on Exhibit B hereto. The official of Obligor responsible for budget preparation will include in the budget request for each Budget Year the Contract Payments to become due in such Budget Year, and will use all reasonable and lawful means available to secure the appropriation of money for such Budget Year sufficient to pay the Contract Payments coming due therein. Obligor reasonably believes that moneys can and will lawfully be appropriated and made available for this purpose.
- (l) Obligor has selected both the Equipment and the vendor(s) from whom the Equipment is to be purchased upon its own judgment and without reliance on any manufacturer, merchant, vendor or distributor, or agent thereof, of such equipment to the public.
- (m) Obligor owns free and clear of any liens any additional collateral pledged, subject only to the lien described herein; Obligor has not and will not, during the Contract Term, create, permit, incur or assume any levies, liens or encumbrances of any kind with respect to the Equipment and any additional collateral except those created by this Contract.

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

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

Section 3.01 Acquisition and Acceptance. Obligor shall be solely responsible for the ordering of the Equipment and for the delivery and installation of the Equipment. Execution of the Certificate of Acceptance or, alternatively, Payment Request and Equipment Acceptance Form, by a duly authorized representative of Obligor, shall constitute acceptance of the Equipment on behalf of the Obligor.

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

VIII. Maintenance of Equipment

Section 8.01 Equipment. Obligor shall keep the Equipment in good repair and working order, and as required by manufacturer's and warranty specifications. If Equipment consists of copiers, Obligor is required to enter into a copier maintenance/service agreement. Obligees shall have no obligation to inspect, test, service, maintain, repair or make improvements or additions to the Equipment under any circumstances. Obligor will be liable for all damage to the Equipment, other than normal wear and tear, caused by Obligor, its employees or its agents. Obligor shall pay for and obtain all permits, licenses and taxes related to the ownership, installation, operation, possession, storage or use of the Equipment. If the Equipment includes any titled vehicle(s), then Obligor is responsible for obtaining such title(s) from the State and also for ensuring that Obligees is listed as First Lienholder on all of the title(s). Obligor shall not use the Equipment to haul, convey or transport hazardous waste as defined in the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et. seq. Obligor agrees that Obligees or its Assignee may execute any additional documents including financing statements, affidavits, notices, and similar instruments, for and on behalf of Obligor which Obligees deems necessary or appropriate to protect Obligees' interest in the Equipment and in this Contract. Obligor shall allow Obligees to examine and inspect the Equipment at all reasonable times.

IX. Default

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

- (a) Failure by Obligor to pay any Contract Payment listed on Exhibit B for fifteen (15) days after such payment is due according to the Payment Date listed on Exhibit B.
- (b) Failure to pay any other payment required to be paid under this Contract at the time specified herein and a continuation of said failure for a period of fifteen (15) days after written notice by Obligees that such payment must be made. If Obligor continues to fail to pay any payment after such period, then Obligees may, but will not be obligated to, make such payments and charge Obligor for all costs incurred plus interest at the highest lawful rate.
- (c) Failure by Obligor to observe and perform any warranty, covenant, condition, promise or duty under this Contract for a period of thirty (30) days after written notice specifying such failure is given to Obligor by Obligees, unless Obligees agrees in writing to an extension of time. Obligees will not unreasonably withhold its consent to an extension of time if corrective action is instituted by Obligor. Subsection (c) does not apply to Contract Payments and other payments discussed above.
- (d) Any statement, material omission, representation or warranty made by Obligor in or pursuant to this Contract which proves to be false, incorrect or misleading on the date when made regardless of Obligor's intent and which materially adversely affects the rights or security of Obligees under this Contract.
- (e) Any provision of this Contract which ceases to be valid for whatever reason and the loss of such provision would materially adversely affect the rights or security of Obligees.
- (f) Except as provided in Section 4.01 above, Obligor admits in writing its inability to pay its obligations.
- (g) Obligor defaults on one or more of its other obligations.
- (h) Obligor becomes insolvent, is unable to pay its debts as they become due, makes an assignment for the benefit of creditors, applies for or consents to the appointment of a receiver, trustee, conservator, custodian, or liquidator of Obligor, or all or substantially all of its assets, or a petition for relief is filed by Obligor under federal bankruptcy, insolvency or similar laws, or is filed against Obligor and is not dismissed within thirty (30) days thereafter.

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

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

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

Section 9.04 Return of Equipment and Storage.

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

X. Miscellaneous

Section 10.01 Notices. All notices shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at their respective places of business as first set forth herein or as the parties shall designate hereafter in writing.

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

Section 10.03 Severability. In the event any provision of this Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.04 Amendments, Addenda, Changes or Modifications. This Contract may be amended, added to, changed or modified by written agreement duly executed by Obligees and Obligor. Furthermore, Obligees reserves the right to directly charge or amortize into the remaining balance due from Obligor, a reasonable fee, to be determined at that time, as compensation to Obligees for the additional administrative expense resulting from such amendment, addenda, change or modification requested by Obligor.

Section 10.05 Execution in Counterparts. This Contract may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.06 Captions. The captions or headings in this Contract do not define, limit or describe the scope or intent of any provisions or sections of this Contract.

Section 10.07 Master Contract. This Contract can be utilized as a Master Contract. This means that the Obligees and the Obligor may agree to the financing of additional Equipment under this Contract at some point in the future by executing one or more Additional Schedules to Exhibit A and Exhibit B, as well as other exhibits or documents that may be required by Obligees. Additional Schedules will be consecutively numbered on each of the exhibits which make up the Additional Schedule and all the terms and conditions of the Contract shall govern each Additional Schedule.

Section 10.08 Entire Writing. This Contract constitutes the entire writing between Obligees and Obligor. No waiver, consent, modification or change of terms of this Contract shall bind either party unless in writing and signed by both parties, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, representations, conditions, or warranties, express or implied, which are not specified herein regarding this Contract, the Equipment or any additional collateral, financed hereunder. Any terms and conditions of any purchase order or other documents submitted by Obligor in connection with this Contract which are in addition to or inconsistent with the terms and conditions of this Contract will not be binding on Obligees and will not apply to this Contract.

DUPLICATE ORIGINAL

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

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

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

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

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

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

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

Gila County, Arizona

KS StateBank

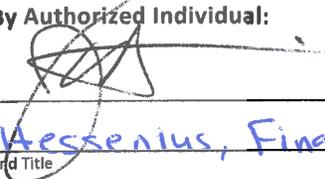


Signature
Don E. McDaniel, Jr. County Manager
Printed Name and Title



Signature
Marsha Jarvis, Senior Vice President
Printed Name and Title

Gila County, Arizona
Attested By Authorized Individual:



Signature
Jeff Hesseinius, Finance Director
Printed Name and Title

EXHIBIT A

DESCRIPTION OF EQUIPMENT

RE: Government Obligation Contract dated as of December 7, 2015, between KS StateBank (Obligee) and Gila County, Arizona (Obligor)

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

One (1) Bizhub 554e Copier with Accessories

Physical Address of Equipment after Delivery : 1400 E. Ash Street, Globe, AZ 85501

EXHIBIT B

PAYMENT SCHEDULE

RE: Government Obligation Contract dated as of December 7, 2015, between KS StateBank (Obligee) and Gila County, Arizona (Obligor)

Date of First Payment:	At Closing
Original Balance:	\$7,051.35
Total Number of Payments:	Thirty-Six (36)
Number of Payments Per Year:	Twelve (12)

Pmt No.	Due Date	Contract Payment	Applied to Interest	Applied to Principal	*Purchase Option Price
1	At Closing	\$216.43	\$0.00	\$216.43	Not Available
2	7-Jan-16	\$216.43	\$39.81	\$176.62	Not Available
3	7-Feb-16	\$216.43	\$38.78	\$177.65	\$6,854.95
4	7-Mar-16	\$216.43	\$37.75	\$178.68	\$6,655.20
5	7-Apr-16	\$216.43	\$36.71	\$179.72	\$6,454.96
6	7-May-16	\$216.43	\$35.66	\$180.77	\$6,254.24
7	7-Jun-16	\$216.43	\$34.61	\$181.82	\$6,053.03
8	7-Jul-16	\$216.43	\$33.55	\$182.88	\$5,851.33
9	7-Aug-16	\$216.43	\$32.48	\$183.95	\$5,649.14
10	7-Sep-16	\$216.43	\$31.41	\$185.02	\$5,446.46
11	7-Oct-16	\$216.43	\$30.34	\$186.09	\$5,243.28
12	7-Nov-16	\$216.43	\$29.25	\$187.18	\$5,039.61
13	7-Dec-16	\$216.43	\$28.16	\$188.27	\$4,835.44
14	7-Jan-17	\$216.43	\$27.06	\$189.37	\$4,630.78
15	7-Feb-17	\$216.43	\$25.96	\$190.47	\$4,425.62
16	7-Mar-17	\$216.43	\$24.85	\$191.58	\$4,219.96
17	7-Apr-17	\$216.43	\$23.74	\$192.69	\$4,013.80
18	7-May-17	\$216.43	\$22.61	\$193.82	\$3,807.14
19	7-Jun-17	\$216.43	\$21.48	\$194.95	\$3,599.97
20	7-Jul-17	\$216.43	\$20.35	\$196.08	\$3,392.30
21	7-Aug-17	\$216.43	\$19.21	\$197.22	\$3,184.12
22	7-Sep-17	\$216.43	\$18.06	\$198.37	\$2,975.44
23	7-Oct-17	\$216.43	\$16.90	\$199.53	\$2,766.25
24	7-Nov-17	\$216.43	\$15.74	\$200.69	\$2,556.55
25	7-Dec-17	\$216.43	\$14.57	\$201.86	\$2,346.34
26	7-Jan-18	\$216.43	\$13.40	\$203.03	\$2,135.62
27	7-Feb-18	\$216.43	\$12.21	\$204.22	\$1,924.39
28	7-Mar-18	\$216.43	\$11.02	\$205.41	\$1,712.64
29	7-Apr-18	\$216.43	\$9.83	\$206.60	\$1,500.38
30	7-May-18	\$216.43	\$8.62	\$207.81	\$1,287.60
31	7-Jun-18	\$216.43	\$7.41	\$209.02	\$1,074.30
32	7-Jul-18	\$216.43	\$6.20	\$210.23	\$860.48
33	7-Aug-18	\$216.43	\$4.97	\$211.46	\$646.14
34	7-Sep-18	\$216.43	\$3.74	\$212.69	\$431.28
35	7-Oct-18	\$216.43	\$2.50	\$213.93	\$215.90
36	7-Nov-18	\$216.43	\$1.19	\$215.24	\$0.00

Gila County, Arizona

Signature

Don E. McDaniel, Jr. County Manager

Printed Name and Title

*Assumes all Contract Payments due to date are paid

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

Source of Funds : General Fund

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:	Certificate Holder:
Gila County, Arizona	KS StateBank
1400 East Ash Street	1010 Westloop, P.O. Box 69
Globe, Arizona 85501	Manhattan, Kansas 66505-0069

- 1. Equipment Description**
 - ◆ One (1) Bizhub 554e Copier with Accessories
 - ◆ Please include all applicable VIN's, serial numbers, etc.
- 2. Physical Damage**
 - ◆ All risk coverage to guarantee proceeds of at least \$7,051.35.
- 3. Loss Payee**
 - ◆ KS StateBank and/or Its Assigns MUST be listed as loss payee.

Please forward certificate as soon as possible to: Fax: (785) 587-4016
or
Email: gwilson@ksstatebank.com

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

Gila County, Arizona

Insurance Company: Arthur J. Gallagher & Company

Agent's Name: Rose Unruh

Telephone #: 480-845-6209

Fax #: 602-244-2242

Address: 8800 E. Chaparral Road #230

City, State Zip: Scottsdale, AZ 85250

Email: Rose.Unruh@AJG.com

DUPLICATE ORIGINAL

PREFERRED

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

DEBIT AUTHORIZATION

I hereby authorize KS StateBank Government Finance Department to initiate debit entries, and, if necessary, to reinstate returned entries up to two additional times, to the account indicated below at the financial institution named below and to debit the same to such account for:

Contract Number 3349111	Payment Amount \$216.43	Frequency of Payments Monthly
Beginning _____ Month Year	Day of Month 5th	

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

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 Gila County, Arizona	
Signature	Printed Name and Title
Tax ID Number 86-6000444	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.

INVOICE

DATE SENT: 12-04-2015

BILL TO:

GILA COUNTY, ARIZONA
ATTN: ACCOUNTS PAYABLE
1400 EAST ASH STREET
GLOBE, ARIZONA 85501

REMIT TO:

KS STATEBANK
GOVERNMENT FINANCE DEPARTMENT
PO BOX 69
MANHATTAN, KS 66505-0069
FOR INQUIRIES: (877) 587-4054

ACCOUNT NUMBER	PAYMENT DATE	PAYMENT DUE DATE	TOTAL AMOUNT DUE
3349111	At Closing	At Closing	\$216.43

DESCRIPTION	AMOUNT
GOVERNMENT OBLIGATION CONTRACT DATED AS OF DECEMBER 7, 2015	PAYMENT AMOUNT: \$216.43
ONE (1) BIZHUB 554E COPIER WITH ACCESSORIES	
<i>Additional interest will be assessed on any payment received after the due date.</i>	
	\$216.43
	TOTAL DUE

INVOICE

DATE SENT: 12-04-2015

BILL TO:

GILA COUNTY, ARIZONA
ATTN: ACCOUNTS PAYABLE
1400 EAST ASH STREET
GLOBE, ARIZONA 85501

REMIT TO:

KS STATEBANK
GOVERNMENT FINANCE DEPARTMENT
PO BOX 69
MANHATTAN, KS 66505-0069
FOR INQUIRIES: (877) 587-4054

ACCOUNT NUMBER	PAYMENT DATE	PAYMENT DUE DATE	TOTAL AMOUNT DUE
3349111	01-07-2016	01-07-2016	\$216.43

DESCRIPTION	AMOUNT
GOVERNMENT OBLIGATION CONTRACT DATED AS OF DECEMBER 7, 2015 ONE (1) BIZHUB 554E COPIER WITH ACCESSORIES <i>Additional interest will be assessed on any payment received after the due date.</i>	PAYMENT AMOUNT: \$216.43
	\$216.43
	TOTAL DUE

INVOICE

DATE SENT: 12-04-2015

BILL TO:

GILA COUNTY, ARIZONA
ATTN: ACCOUNTS PAYABLE
1400 EAST ASH STREET
GLOBE, ARIZONA 85501

REMIT TO:

KS STATEBANK
GOVERNMENT FINANCE DEPARTMENT
PO BOX 69
MANHATTAN, KS 66505-0069
FOR INQUIRIES: (877) 587-4054

ACCOUNT NUMBER	PAYMENT DATE	PAYMENT DUE DATE	TOTAL AMOUNT DUE
3349111	02-07-2016	02-07-2016	\$216.43

DESCRIPTION	AMOUNT
GOVERNMENT OBLIGATION CONTRACT DATED AS OF DECEMBER 7, 2015	PAYMENT AMOUNT: \$216.43
ONE (1) BIZHUB 554E COPIER WITH ACCESSORIES	
<i>Additional interest will be assessed on any payment received after the due date.</i>	
	\$216.43
	TOTAL DUE

8038 REVIEW FORM

The 8038 form attached hereto is an important part of the documentation package and must be properly filled out and submitted to the Department of the Treasury in order for you to receive the lower tax-exempt rate. Unless you instruct us otherwise, we have engaged a Paid Preparer to assist in the filling out of this form. The Paid Preparer has filled out the relevant portions of this form based on the current understanding of what is required by the Department of the Treasury. The responses on this 8038 form are based on the dates and amounts which you have requested (structure of the transaction) and which are on the Payment Schedule.

1. Please review our responses for accuracy. If anything is inaccurate, please contact our office so that we can make proper revisions.
2. If the information provided to you on this form is accurate, please sign where indicated and return with the document package.
3. If there are any changes to the structure of the transaction that occur prior to funding which require a change to the 8038 form, we will make such changes and provide notification to you.
4. We will return to you a copy of the 8038 form that was mailed to the Department of the Treasury.

For additional guidance on this 8038 form, you can refer to the Documentation Instructions located on the following government website: <http://www.irs.gov/app/picklist/list/formsInstructions.html>, or contact your local IRS office.

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

OMB No. 1545-0720

Department of the Treasury
Internal Revenue Service

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

Part I Reporting Authority		Check box if Amended Return <input type="checkbox"/>
1 Issuer's name Gila County, Arizona		2 Issuer's employer identification number (EIN) 86 6000444
3 Number and street (or P.O. box if mail is not delivered to street address) 1400 East Ash Street		Room/suite
4 City, town, or post office, state, and ZIP code Globe, Arizona 85501		5 Report number (For IRS Use Only) <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
6 Name and title of officer or other employee issuer or designated contact person whom the IRS may call for more information Ms. Betty Hurst, Buyer		7 Telephone number of officer or legal representative (928) 402-4355

Part II Description of Obligations Check one: a single issue <input checked="" type="checkbox"/> or a consolidated return <input type="checkbox"/>		
8a Issue price of obligation(s) (see instructions)	8a	7,437 41
b Issue date (single issue) or calendar date (consolidated). Enter date in mm/dd/yyyy format (for example, 01/01/2009) (see instructions) ▶ 12/07/2015		
9 Amount of the reported obligation(s) on line 8a that is:		
a For leases for vehicles	9a	
b For leases for office equipment	9b	
c For leases for real property	9c	
d For leases for other (see instructions).	9d	7,437 41
e For bank loans for vehicles	9e	
f For bank loans for office equipment	9f	
g For bank loans for real property.	9g	
h For bank loans for other (see instructions)	9h	
i Used to refund prior issue(s).	9i	
j Representing a loan from the proceeds of another tax-exempt obligation (for example, bond bank).	9j	
k Other	9k	
10 If the issuer has designated any issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check this box <input checked="" type="checkbox"/>		
11 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check this box (see instructions) <input type="checkbox"/>		
12 Vendor's or bank's name: KS StateBank		
13 Vendor's or bank's employer identification number: 48 0760380		

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

▶ **Jeff Hennessey, Finance Director**

Paid Preparer Use Only	Print/Type preparer's name H. Evan Howe	Preparer's signature <i>H. Evan Howe</i> <small>Digitally signed by H. Evan Howe Date: 2015.12.04 12:27:56 -0600'</small>	Date 12/04/2015	Check <input type="checkbox"/> if self-employed	PTIN P01438994
	Firm's Name ▶ Baystone Financial LLC	Firm's EIN ▶ 48-1223987			
	Firm's Address ▶ 12980 Metcalf, Suite 310, Overland Park, KS 66213	Phone no. (800) 752-3562			

<p>General Instructions</p> <p><i>Section references are to the Internal Revenue Code unless otherwise noted.</i></p> <p>What's New</p> <p>The IRS has created a page on IRS.gov for information about the Form 8038 series and its instructions, at www.irs.gov/form8038. Information about any future developments affecting the Form 8038 series (such as legislation enacted after we release it) will be posted on that page.</p> <p>Purpose of Form</p> <p>Form 8038-GC is used by the issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.</p>	<p>Who Must File</p> <p>Issuers of tax-exempt governmental obligations with issue prices of less than \$100,000 must file Form 8038-GC.</p> <p>Issuers of a tax-exempt governmental obligation with an issue price of \$100,000 or more must file Form 8038-G, Information Return for Tax-Exempt Governmental Obligations.</p> <p>Filing a separate return for a single issue.</p> <p>Issuers have the option to file a separate Form 8038-GC for any tax-exempt governmental obligation with an issue price of less than \$100,000.</p> <p>An issuer of a tax-exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that an election was made to</p>	<p>pay a penalty in lieu of arbitrage rebate (see the line 11 instructions).</p> <p>Filing a consolidated return for multiple issues. For all tax-exempt governmental obligations with issue prices of less than \$100,000 that are not reported on a separate Form 8038-GC, an issuer must file a consolidated information return including all such issues issued within the calendar year.</p> <p>Thus, an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues issued during the calendar year on one consolidated Form 8038-GC. However, if the issue is a construction issue, a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate.</p>
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