

American Capital

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

August 11, 2017

Mr. Jason Edelheit
Glencoe Elementary School District 35
620 Greenwood Avenue
Glencoe, IL 60022

Dear Mr. Edelheit:

Thank you for choosing American Capital for your equipment leasing needs. Please sign the following documents for Schedule B and return all copies to my attention:

- **Equipment Schedule B (2):** please sign & date on page 6
- **Non Appropriation Statement:** please sign where indicated
- **Invoice for 1st payment:** Due 9/1/17 or upon commencement

I have also enclosed a copy of the Opinion of Counsel letter we have received for the previous lease. You will need to contact your school district's attorney and request a similar letter for this lease transaction. An **Opinion of Counsel Letter** is required. .

If you have any questions, please do not hesitate to call.

Sincerely,

Laura Holstine

Laura Holstine
American Capital

American Capital Financial Services, Inc.

***Schedule B Ref. No.2017415222 pursuant to Master Lease Agreement No.2012142150
between American Capital Financial Services, Inc. ("Lessor") and
Glencoe Elementary School District 35 ("Lessee")
Dated May 29, 2012 ("Master Lease")***

This is Counterpart # 1 of 2 serially numbered, manually executed counterparts. To the extent that this document constitutes chattel paper under the Uniform Commercial Code, no security interest in this document may be created through the transfer and possession of any counterpart other than Counterpart # 1.

THIS SCHEDULE IS EXECUTED PURSUANT TO THE TERMS OF THE ABOVE REFERENCED MASTER LEASE, THE TERMS AND CONDITIONS OF WHICH ARE DEEMED INCORPORATED HEREIN BY REFERENCE. LESSEE HEREBY AGREES TO LEASE THE BELOW-DESCRIBED EQUIPMENT (HEREINAFTER CALLED THE "EQUIPMENT") FROM LESSOR, ITS SUCCESSORS OR ASSIGNEES. LESSOR, UPON ACCEPTING THIS LEASE, AGREES TO LEASE THE EQUIPMENT TO LESSEE ON THE TERMS SET FORTH IN THIS SCHEDULE.

THIS EQUIPMENT SCHEDULE, INCLUDING THE TERMS AND CONDITIONS OF THE MASTER LEASE INCORPORATED HEREIN BY REFERENCE, SHALL BE DEEMED A SEPARATE INSTRUMENT OF LEASE.

EXECUTION OF THIS SCHEDULE BY LESSEE CONSTITUTES A WARRANTY BY LESSEE AS TO THE ACCURACY OF THE EQUIPMENT DESCRIPTION BELOW INCLUDING QUANTITY, MANUFACTURER, MACHINE, MODEL/FEATURE, SERIAL NUMBERS (IF EXISTENT) AND DESCRIPTION.

1. Equipment:

<u>Qty</u>	<u>Manufacturer</u>	<u>Model/ Feature</u>	<u>Serial Number</u>	<u>Description</u>	<u>Base Periodic Rent per item</u>	<u>Total Base Periodic Rent</u>
				District copiers		\$35,165.05
1		IRADV85051		Booklet finisher, puncher Unit, Power filter, Install Pak, Connectivity		
1		IRADV85051		Staple finisher, puncher Unit, Super G3 Fax Brd, Power filter, Install Pak, Connectivity		
1		IRADVC55351		Cabinet type, utility tray, Keyboard, booklet finish, Buffer pass, fax board, power Filter, connectivity, Install pak		

<u>Qty</u>	<u>Manufacturer</u>	<u>Model/ Feature</u>	<u>Serial Number</u>	<u>Description</u>	<u>Base Periodic Rent per item</u>	<u>Total Base Periodic Rent</u>
				District copiers continued		
2		IRADVC5535I		Cabinet type, utility tray, Keyboard, staple finisher, Buffer pass, power filter Connectivity, Install pak		
3		IRADV6575I		Utility Tray, Keyboard, Booklet finisher, 2/3 hole Puncher, fax board, pwr Filter, install pak, Connectivity		
1		IPF785		36" Imageprograf, Canon 36x100 heavyweight coat Lg format printer, Install Pak, 1YR ext care, serv		
1		IRADVC7565I		Booklet finisher, 2/3 hole Puncher, fax board, Install pak, connectivity		
1		IRADV6575I		Utility Tray, keyboard, Stapler finisher, 2/3 hole Puncher, power filter, Install pak, connectivity		
1		IRADV6555I		Utility Tray, keyboard, Stapler finisher, 2/3 hole Puncher, power filter, Install pak, connectivity		
TOTAL BASE PERIOD RENT						\$35,165.05

2. Equipment Location:

Glencoe School District
620 Greenwood Avenue
Glencoe, IL 60022

3. **Rental Payment Period:** annual *Payments due: Commence, 8/1/18, 8/1/19, 8/1/20, 8/1/20*

4. **Base Term:** 5 annual **Rental Payment Periods (total of 60 months)**

5. **Payments:** All payment required hereunder must be received on or before the payment due date by the party and at the address designed below in immediately available funds or to such other party and address as directed by Lessor or its assignee in writing (which writing Lessee may absolutely rely upon):

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

6. **Organizational Information of Lessee:**

Type of entity:	<u>School District</u>
State of Organization:	<u>Illinois</u>
Federal Tax ID Number:	<u>36-6004264</u>

7 **Additional Provisions:** If there are no Additional Provisions to the Lease please check here:
If there are Additional Provisions including amendments to the Master Lease Agreement
as related to this Schedule, please attach and/or describe here:

(a) Lessee will provide an Opinion of Counsel letter satisfactory to Lessor.

(b) Notwithstanding any provisions of the Master Lease Agreement to the contrary and provided Lessee has not been in default on any of the terms and conditions of this lease, Lessee may exercise the option to purchase all of the equipment in this Schedule B for \$1.00 by giving written notice of such election not less than 60 days prior to the lease termination date. Upon exercising this option, Lessee shall be relieved of it's obligation under Sec, 6(d) of the Lease to return the equipment.

(c) Notwithstanding the terms and conditions in the Master Lease Agreement dated May 29, 2012, rental payments will be made annually beginning with the first annual payment due upon Commencement and continues each August 1st thereafter for the term of this Schedule B.

(d) Lessee shall not be required to provide Lessor with the right of first refusal for this Schedule B, as described in Paragraph 2b of the Master Lease Agreement.

(e) Any delinquent payment under this lease shall be assessed an interest penalty as provided in the Illinois Local Government Prompt Payment Act, or the maximum amount allowed under law.

(f) Lessor and Lessee hereby agree that Schedule B is not a true lease, as referenced in Section 8b of the Maser Lease Agreement.

(g) Lessor and Lessee hereby agree to County of litigation from DuPage County to Cook County as referenced in Section 17 of the Maser Lease Agreement.

(h) As required by the *Criminal Code*, 720 ILCS 5/33E-11, by executing this Agreement, Lessor certifies that it is not barred from contracting with any unit of State or local government as a result of a violation of any criminal statute including, but not limited to, the bid rigging (Section 33E-3) or bid rotating (Section 33E-4) provisions of the *Criminal Code*. Lessor agrees that if this certification is false, the Lessee may declare the Agreement void. Lessor further certifies that it will provide a drug free workplace as required by the *Illinois Drug Free Workplace Act*, 30 ILCS 580/1 *et seq.* If applicable, Lessor shall collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with the provisions of the *Illinois Use Tax Act*, 35 ILCS 105/1 *et seq.*, regardless of whether Lessor is a "retailer maintaining a place of business within this State" as defined in Section 2 of the *Use Tax Act*. To the extent applicable, the Lessor agrees to comply with the *Illinois Human Rights Act*, 775 ILCS 5/1-101 *et seq.* and the provision of sexual harassment policies and procedures pursuant to Section 2-105 of that Act, including the regulations attached hereto as Exhibit A.

(i) The Lessee hereby designates this Lease as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the *Internal Revenue Code* (the "Code"). In compliance with Section 265(b)(3)(D) of the Code, the Lessee hereby represents that the Lessee will not designate more than \$10,000,000 of obligations in the calendar year during which the Agreement and any Schedule are executed and delivered as "qualified tax-exempt obligations," and further represents that the Lessee (including all subordinate entities within the meaning of Section 265(b)(3)(E) of the Code) reasonably anticipates not to issue in the calendar year during which the Agreement and any Schedule are 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.

(j) APPROPRIATIONS AND ESSENTIAL USE. Lessee reasonably believes that sufficient funds can be obtained to make all Rental Payments during the Lease Term. Lessee hereby covenants that it shall do all things lawfully within its power to obtain funds from which the Rental Payments may be made, including making provisions for such payments, to the extent necessary, in each budget submitted for the purpose of obtaining funding, using its bona fide best efforts to have such portion of the budget approved. It is Lessee's intent to make the Rental Payments for the full Lease Term if funds are legally available therefore and in that regard Lessee represents that: (a) the use of the equipment is essential to its proper, efficient and economic functioning or to the services that it provides to its citizens; (b) Lessee has an immediate need for and expects to make immediate use of substantially all the Equipment, which need is not temporary or expected to diminish in the foreseeable future; and (c) the Equipment shall be used by the Lessee only for the purpose of performing one or more of its governmental or proprietary functions consistent with the permissible scope of its authority.

NONAPPROPRIATION OF FUNDS. In the event no funds or insufficient funds are appropriated and budgeted for the acquisition, retention or operation of the Equipment in any fiscal period in which the Rental Payments for the Equipment are due under this Lease, then Lessee shall, not less than ninety (90) days prior to the end of such applicable fiscal period, in writing, notify Lessor and any Assignee of such occurrence. This Lease shall thereafter terminate and be rendered null and void on the last day of the fiscal period for which appropriations were made without penalty, liability or expense to the Lessee of any kind, except as to (i) the portions of the Rental Payments herein agreed upon for which funds shall have been appropriated and budgeted or are otherwise available and (ii) Lessee's other obligations and liabilities under this Lease relating to, accruing or arising prior to such termination. Lessee's obligations to pay further Monthly Rent for such Equipment shall cease. In the event of such termination, Lessee agrees to peaceably surrender possession of the Equipment to Lessor or its Assignee on the date of such termination, packed for shipment in accordance with manufacturer's specifications and eligible for manufacturer's maintenance, and freight prepaid and insured to any location in the continental United States designated by Lessor, all at Lessee's expense. Lessor or its Assignee may exercise all available legal and equitable rights and remedies in retaking possession of the Equipment.

Notwithstanding the foregoing, Lessee agrees (a) that if this Lease is terminated in accordance with the preceding paragraph, Lessee shall not purchase, lease or rent equipment which performs the same functions as, or functions taking the place of, those performed by the Equipment, and shall not permit such functions to be performed by its own employees or by any agency or entity affiliated with or hired by Lessee for the balance of the fiscal period in which such termination occurs or the next succeeding fiscal period thereafter; and (b) that it shall not, during the Lease Term, give priority in the application of funds to any other functionally similar equipment.

THIS SCHEDULE TOGETHER WITH THE MASTER LEASE AND ANY ADDITIONAL PROVISION (S) REFERRED TO IN SECTION 7 HEREIN ABOVE CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE PARTIES AS TO THE LEASE AND EQUIPMENT. THIS LEASE CONSTITUTES AN OFFER BY LESSEE TO LEASE FROM LESSOR AND SUCH OFFER MAY NOT BE REVOKED EXCEPT BY THE WRITTEN CONSENT OF LESSOR. THIS LEASE SHALL BE DEEMED TO HAVE BEEN ACCEPTED BY LESSOR ONLY UPON ITS EXECUTION HEREOF IN ITS OFFICE IN ILLINOIS.

LESSOR:

American Capital Financial Services, Inc.

By: _____
Print Name: _____
Title: _____
Date: _____

LESSEE:

Glencoe Elementary School District 35

By: X 
Print Name: Jason Edelheit
Title: Director of Finance and Ops
Date: X 8-22-17