RESOLUTION OF THE BOARD OF EDUCATION OF THE SOMERSET HILLS REGIONAL SCHOOL DISTRICT IN THE COUNTY OF SOMERSET, NEW JERSEY APPOINTING A LESSOR RELATING TO THE LEASE PURCHASE FINANCING FOR THE ACQUISITION OF EQUIPMENT AND VEHICLES IN AN AGGREGATE AMOUNT NOT TO EXCEED $772,173.99, APPROVING THE FORM OF CERTAIN AGREEMENTS, AND AUTHORIZING THE BOARD TO EXECUTE CERTAIN AGREEMENTS AND DETERMINING RELATED MATTERS IN CONNECTION THEREWITH

WHEREAS, The Board of Education of the Somerset Hills Regional School District in the County of Somerset, New Jersey (the "Board") seeks to acquire various equipment and vehicles, including but not limited to a server system and network management platform, Chromebook laptops, a Thomas Built C2 school bus, and a Ford Super Duty truck (collectively, the “Equipment”) at an aggregate cost not to exceed $772,173.99; and

WHEREAS, the Board intends to finance such Equipment through a tax-exempt financing in an aggregate amount not exceeding $772,173.99 (the “Lease Purchase Financing”); and

WHEREAS, the Board, on July 21, 2026, received a bid for the Lease Purchase Financing from TD Equipment Finance, Inc. (“TDEF”); and

WHEREAS, the Board seeks to execute lease purchase agreements for the Lease Purchase Financing, consisting of Lease Agreement Schedule 1 (“Lease Schedule 1”) in the amount of $537,173.99 and Lease Agreement Schedule 2 in the amount of $235,000 (“Lease Schedule 2”, and together with Lease Schedule 1, the “Leases”), with TDEF in its capacity as lessor and in accordance with its bid as set forth below; and

WHEREAS, the Board desires to set forth the basic financial terms to be incorporated into the Leases and authorize the preparation, the execution and the delivery of the Leases and certain other agreements necessary or incidental to the transactions contemplated thereby;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE SOMERSET HILLS REGIONAL SCHOOL DISTRICT IN THE COUNTY OF SOMERSET, NEW JERSEY, as follows:

SECTION 1. The Board hereby approves to finance the acquisition of the Equipment and other related costs and hereby awards the financing to TDEF. The interest rate per annum, the principal maturities and the other terms of the financing shall be as described in the Leases and shall be consistent with the bid submitted by TDEF on July 21, 2026 (the "Bid"). In accordance with the Bid, the interest rate for Lease Schedule 1 shall be 4.08% or as indexed in the Bid, and the interest rate for Lease Schedule 2 shall be 4.04% or as indexed in the Bid.

SECTION 2. The Board hereby authorizes: (i) the execution and the delivery of the Leases and other related documents, including an Escrow Agreement(s); and (ii) the performance by the Board of its obligations under the Leases and the Escrow Agreement(s), both to be dated the date of respective closing. The Board further authorizes and directs the Board President (or in every instance where the Board President is authorized to execute a document under this Resolution the same such authority shall also be given to the Vice President), and the Business Administrator/Board Secretary to approve any non-material changes, additions or deletions to the Leases and the Escrow Agreement as may be necessary in the judgment of the Board's Bond Counsel. The Leases sets forth, among other things, the lease payments of the Board and their respective amounts. In all respects, the Leases shall be consistent with the terms of this Resolution.

SECTION 3. In exchange for its authorization and execution of the Leases, the Board will receive an aggregate amount not to exceed $772,173.99, which will be used to finance the Equipment and other related costs. Lease payments under the Leases may occur on one or more dates, provided that the final lease payment for Lease Schedule 1 shall not extend beyond five (5) years from the closing date, and the final lease payment for Lease Schedule 2 shall not extend beyond four (4) years from the closing date.

SECTION 4. The Board President and the Business Administrator/Board Secretary are hereby authorized and directed to execute and to deliver on behalf of the Board each of the agreements referred to in Section 2 of this Resolution and such other agreements and certificates as may be necessary to complete the transaction contemplated by the Leases and the Board President and Business Administrator/Board Secretary are hereby authorized and directed to take, on behalf of the Board, such other actions as shall be necessary and appropriate to accomplish the lease purchase financing of the Equipment in accordance with the terms of the Leases and this Resolution and pursuant to the terms of the agreements and the instruments authorized to be prepared hereby and to accomplish the performance of the obligations of the Board in respect thereof.

SECTION 5. The Board reasonably expects to reimburse itself from the proceeds of the Lease Purchase Financing for certain costs of the Equipment paid prior to the execution and delivery of the Lease Purchase Financing from sources other than the Lease Purchase Financing which have been or are reasonably expected to be reserved, allocated on a long-term basis or have otherwise been set aside by the Board, pursuant to its budget or financial policies with respect to any expenditures to be reimbursed. This Section 5 is intended to be and hereby is a declaration of the Board's official intent to reimburse any expenditures toward certain costs of the Equipment to be incurred and paid prior to the execution and delivery of the Lease Purchase Financing in accordance with Treasury Regulation Section 1.150-2, and no further action (or inaction) will be an abusive arbitrage device in accordance with Treasury Regulation Section 1.148-10 to avoid, in whole or in part, arbitrage yield restrictions or arbitrage rebate requirements under Section 148 of the Code. The proceeds of the Lease Purchase Financing used to reimburse the Board for any expenditures toward certain costs of the Equipment will not be used directly or indirectly (i) to "refund" an issue of governmental obligations within the meaning of Treasury Regulation Section 1.150-1(d), (ii) to create or increase the balance in "replacement proceeds", within the meaning of Treasury Regulation Section 1.148-1 of the Lease Purchase Financing, or any other agreement, with respect to any obligation of the Board or to replace funds, or (iii) to reimburse the Board for any expenditure or payment that was originally paid with the proceeds of any obligation of the Board. The Lease Purchase Financing used to reimburse the Board for any expenditure toward certain costs of the Equipment, as described above, will be issued in an amount not to exceed $772,173.99. The costs to be reimbursed with the proceeds of the Lease Purchase Financing will be "capital expenditures" in accordance with the meaning of Section 150 of the Code and Treasury Regulation Section 1.150-1. This Section 5 shall take effect immediately, but will be of no effect with regard to expenditures for costs paid outside the permitted reimbursement period set forth in Treasury Regulation Section 1.150-2(d)(2).

SECTION 6. The Board hereby covenants that it will comply with any conditions subsequently imposed by the Internal Revenue Code of 1986, as amended (the "Code"), in order to preserve the exemption from taxation of interest on the Lease Purchase Financing, including, if necessary, the requirement to rebate all net investment earnings on the gross proceeds above the yield on the Lease Purchase Financing. The Lease Purchase

Financing will be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B)(ii) of the Code.

SECTION 7. This resolution shall take effect immediately upon its adoption.

CERTIFICATION

I, Richard Liguori, Business Administrator/Board Secretary of The Board of Education of the Somerset Hills Regional School District in the County of Somerset, New Jersey (the "Board"), HEREBY CERTIFY that the foregoing annexed resolution has been duly adopted by the Board at a meeting duly called and held on August 26, 2026 and it is a true, complete and correct copy thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Board this _____ day of ___________________, 2026.

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RICHARD LIGUORI,
Business Administrator/Board Secretary

(SEAL)

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