

SERIES 2023
EQUIPMENT LEASE AND SECURITY AGREEMENT

LESSOR: KENTUCKY INTERLOCAL SCHOOL TRANSPORTATION ASSOCIATION
147 East Third Street
Lexington, Kentucky 40508

LESSEE: Board of Education of Ft. Thomas, Kentucky

TAXPAYER
IDENTIFICATION
NUMBER: 61-6001405

EQUIPMENT UNITS: 1

THIS EQUIPMENT LEASE AND SECURITY AGREEMENT (the "Lease") made and entered into as of April 13, 2023, by and between the KENTUCKY INTERLOCAL SCHOOL TRANSPORTATION ASSOCIATION ("Lessor" or "KISTA") an Association formed pursuant to the provisions of the Interlocal Cooperation Act, (Sections 65.210 through 65.300 of the Kentucky Revised Statutes) to act as an agency and instrumentality for Kentucky school districts, and the BOARD OF EDUCATION OF FT. THOMAS, KENTUCKY, (the "Board" or "Lessee").

WITNESSETH:

THAT WHEREAS, the Board is charged with the responsibility under Chapter 160 of the Kentucky Revised Statutes ("KRS") of providing transportation facilities for its students, and

WHEREAS, the Board has determined that it is necessary and desirable that the Board acquire new school buses (the "Equipment") in order to provide for the transportation needs of the students served by the Board, and

WHEREAS, the Board is without lawful means to incur an indebtedness in the amount required for the acquisition of the Equipment, but may lawfully provide for the acquisition of the Equipment by renting same from KISTA as permitted by the provisions of the Interlocal Cooperation Act and KRS Sections 65.940 through 65.956, and Section 160.160, and

WHEREAS, KISTA has been formed pursuant to the Interlocal Cooperation Act to act as an issuing agency and instrumentality for those local boards of education which desire to participate in the KISTA Equipment Acquisition Program ("KEAP"), a pooled financing program for the acquisition of school buses through the issuance of Equipment Lease Certificates of Participation (the "Certificates" or "COPS") by KISTA, the proceeds of said Certificates to be applied to the acquisition of school buses for participating boards of education in order that certain economies in the pooled financing of the buses may be realized, and

WHEREAS, the Kentucky Department of Education of the Commonwealth of Kentucky (the "Department") has implemented a program to assist local boards of education throughout the Commonwealth in the acquisition of school buses by combining the needs of school districts throughout the Commonwealth and purchasing in bulk directly from the manufacturers of the buses on behalf of said local boards, and

WHEREAS, notwithstanding the pooled acquisition of buses administered by the Department, it is necessary that local boards of education provide their own financing for the acquisition of school buses purchased for them through the Department, and

WHEREAS, it is desired that KISTA, acting on behalf of the Board and other Participating Districts authorize, sell, issue and deliver its "Equipment Lease Certificates of Participation, Series of 2023, dated April 13, 2023" (the "Series 2023 Certificates") on behalf of the Board and other Participating Districts, and

WHEREAS, the Board has determined that it is in its best interest to participate in the 2022 KEAP pooled financing program represented by the KISTA Series 2023 Certificates in order to acquire the Equipment hereinafter identified upon favorable terms and conditions and the Board has adopted the Participation Resolution hereinafter identified evidencing its desire to participate in the KISTA program and to lease the Equipment acquired by KISTA for the Board from KISTA in accordance with the terms of this Lease for a term of one year, with the option in the Board to renew said Lease each year until the payment and retirement of the KISTA Series 2023 Certificates;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND FURTHER CONSIDERATION OF THE ISSUANCE OF THE SERIES 2023 CERTIFICATES BY KISTA, A PORTION OF THE PROCEEDS OF WHICH ARE TO BE USED TO ACQUIRE THE EQUIPMENT HEREIN IDENTIFIED, IT IS AGREED BETWEEN THE PARTIES HERETO AS FOLLOWS:

ARTICLE I

COVENANTS OF LESSEE

Section 1.01. Lessee represents, covenants and warrants, for the benefit of Lessor and its assignees, as follows:

(a) Lessee is a public body, corporate and politic, duly organized and existing under the Constitution and laws of the Commonwealth.

(b) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic.

(c) Lessee is authorized under the Constitution and laws of the Commonwealth to enter into this Lease and the transaction contemplated hereby, and to perform all of its obligations hereunder.

(d) Lessee has been duly authorized to execute and deliver this Lease under the terms and provisions of the Participation Resolution of its governing body, or by other appropriate official approval, and further represents, covenants and warrants that all requirements have been met and procedures have occurred in order to ensure the enforceability of this Agreement, and Lessee has complied with such public bidding requirements as may be applicable to this Agreement and the acquisition by Lessee of the Equipment hereunder.

(e) During the term of this Lease, the Equipment will be used by Lessee only for the purpose of performing one or more governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority and will not be used in a trade or business of any person or entity other than the Lessee.

(f) The Equipment will have a useful life in the hands of the Lessee that is substantially in excess of the Lease Term.

(g) The Equipment is, and during the period this Agreement is in force, will remain, personal property and when subject to use by Lessee under this Lease, will not be or become fixtures.

ARTICLE II

ACQUISITION OF AND TITLE TO EQUIPMENT; FIRST LIEN IN FAVOR OF KISTA

Section 2.01. KISTA agrees to cause the Series 2023 Certificates to be issued and delivered and to make available for the account of the Board in the Acquisition Fund established under the Second Indenture the cost of Equipment purchased by the Board and leased hereunder as shown on the Schedule of Participation attached to this Lease as Exhibit A in order that the Board shall have available for application to the purchase of the Equipment funds to complete the purchase transaction from the Vendors at the times and in the amounts required under the Board's Acquisition Contract with the Vendors.

Section 2.02. During the Term of this Lease title to the Equipment and any and all additions, repairs, replacements, or modifications shall vest in the Board, subject to the rights of KISTA under this Lease. In the Event of Default as set forth Article XI or a non-renewal as set forth in Article IV, title to the Equipment shall immediately vest in KISTA, and the Board will immediately surrender possession of the Equipment to KISTA or to KISTA's order; by the execution of this Lease the Board agrees upon demand by KISTA or the Second Trustee, and without order of court, to execute a bill of sale or such other instrument as may be required in favor of KISTA or the Second Trustee in order to permit liquidation of the equipment in an Event of Default by the Board.

Section 2.03. In order to secure the payment of all of the Board's obligations under this Lease, the Board grants to KISTA a security interest constituting a first lien on the Equipment and on all additions, attachments, accessories, and substitutions thereto, and on all proceeds therefrom.

The Board agrees to execute such additional documents, including affidavits, notices and similar instruments, in form satisfactory to KISTA or the Second Trustee, which KISTA or the Second Trustee deem necessary or appropriate to establish

and maintain the security interest of KISTA, and upon assignment, the security interest of any assignee of KISTA, including the Second Trustee, in the Equipment.

ARTICLE III

INITIAL RENTAL; ANNUAL RENEWAL RENTALS

Section 3.01. The Board agrees to lease and rent said Equipment from KISTA to be used only for educational purposes, only for the Initial Term ending June 30, 2023 for the Rental set forth in the Schedule of Participation attached hereto as Exhibit A, plus the costs of maintenance and Liability Insurance, it being hereby certified by the Board that the Rental provided herein for that period does not exceed the anticipated revenue of the Board for the period available for that purpose. The Board shall have an exclusive option to renew this Lease from year to year for a period of one year at a time at the Rentals set out in Exhibit A, payable in ample time to meet the payment of the Board's Participation for principal and interest falling due on said Series 2023 Certificates.

Section 3.02. For each year in which this Lease remains in effect the Board's Rentals shall be paid directly to the Second Trustee semi-annually on the 15th day of August and the 15th day of February, commencing August 15, 2023. The February payment shall be equal to the principal and interest portion of the Board's Participation becoming due on March 1 and the August payment shall be equal to the interest portion of the Board's Participation becoming due September 1.

In any event, the Rentals due from the Board each year shall be such amounts as may from year to year be necessary to meet the principal and interest requirements of the Series 2023 Certificates as represented by the Board's Participation, plus the costs of maintaining the Equipment and providing Liability Insurance thereon.

Section 3.03. The failure by the Board to pay a Rental on the due date shall constitute an "Event of Default" under this Lease.

ARTICLE IV

ANNUAL OBLIGATIONS; OPTION TO RENEW; OPTION TO TERMINATE

Section 4.01. Nothing herein contained shall be construed as binding the Board to renew this Lease or pay the Rentals due hereunder for any but the Initial Term ending June 30, 2023, but said Lease shall automatically renew itself each year for a Renewal Term of one year unless the Board shall at least sixty (60) days prior to the beginning of any year send written notice of its intention not to exercise its option to renew to KISTA, to the Kentucky Department of Education, the Second Trustee, and to the original purchaser of the Series 2023 Certificates.

Section 4.02. Any other provisions herein to the contrary notwithstanding, the Board shall be liable to the extent only of its anticipated revenue for the year herein provided during which any obligation of it arises, and all obligations herein are on an annual basis; however, the Board shall not have the right to renew this Lease for any year unless its anticipated revenue is such that it can become legally obligated in the amount herein provided as being the annual obligation of the Board if this Lease is renewed; anticipated revenue shall be interpreted to include the Board's Depreciation Allotment.

Section 4.03. In the event the Board shall elect to terminate its obligations under this Lease, upon giving written notice as set forth in Section 4.01 herein, the Board may elect not to renew said Lease, in which event, the Board agrees to surrender possession of the Equipment to KISTA, or to KISTA's order, no later than the last day of the Renewal Term then in effect and execute such conveyance of title as may be required as hereinbefore set forth.

ARTICLE V

ENJOYMENT OF EQUIPMENT

Section 5.01. KISTA hereby covenants to provide the Board during the Lease Term with quiet use and enjoyment and the Board shall during the Lease Term peaceably and quietly have and hold and enjoy the Equipment, without suit, trouble, or hinderance from KISTA or the Second Trustee, except as expressly set forth in this Lease; however, no warranty as to fitness of the Equipment for the use intended, expressed or implied, shall be imposed upon KISTA and the Board shall look solely to the Vendors under its Acquisition Contract.

Section 5.02. KISTA or the Second Trustee or their respective agents shall have the right at all reasonable times during business hours to enter into and upon the property of the Board for the purposes of inspecting the Equipment.

In the event of the election by the Board of option (1) set forth above upon the payment of all accrued interest to the redemption of Series 2023 Certificates by the Board, the Board's annual Rentals shall be reduced to reflect the prepayment of a portion of its Participation. Conversely, the election to replace Equipment under option (2) shall not result in any change in the Rentals due hereunder.

In the event of the election by the Board of option (1) set forth above the Board shall execute such conveyances as may be required to KISTA or the Second Trustee as will permit the sale of the damaged Equipment for salvage and the proceeds realized shall be the property of KISTA for deposit to the Insurance Reserve Fund.

Section 8.05. In the event the Board elects to proceed with repairs to the Equipment so that said Equipment complies with the provisions of 702 KAR 5:030, then the Second Trustee shall pay to the Board from the Insurance Reserve Fund the amount determined by the Appraisal to be reasonable and necessary to effect and complete repairs to the Equipment, but in no event shall said payment exceed the Depreciated Value of the Equipment.

ARTICLE IX

CONVEYANCE TO BOARD ON PAYMENT OF SERIES 2023 CERTIFICATES

Section 9.01. It is understood and agreed that if the Board shall pay the Rentals above specified from year to year and to and through the year 2033, and by reason of the application of such Rentals to the complete payment of the principal and interest on the Board's Participation, and said Series 2023 Certificates shall have on March 1, 2033, or at any time, through any other method, been fully paid redeemed, canceled and retired, KISTA and the Second Trustee will release the Equipment from all liens and encumbrances.

ARTICLE X

CONTRACT VOID IF NOT RENEWED

Section 10.01. It is further understood and agreed that should the Board fail to exercise its option to renew this Lease in any year, then this Lease shall become null and void, and the Board shall surrender immediate possession of the Equipment to the Second Trustee for the benefit of the Registered Owners of the Series 2023 Certificates and execute such conveyances as may be required to vest title in said Second Trustee.

ARTICLE XI

EVENTS OF DEFAULT AND REMEDIES

Section 11.01. The following shall be "events of default" under this Lease and the terms "event of default" and "default" shall mean, whenever they are used in this Lease any one or more of the following events:

- (a) Failure by the Board to pay any Rental or other payment required to be paid hereunder at the time specified herein; and
- (b) Failure by the Board to observe and perform any covenant, condition, or agreement on its part to be observed or performed, other than referred to in paragraph (a) for a period of thirty days after written notice, specifying such failure and requesting that it be remedied given by KISTA or the Second Trustee, to the Board, unless KISTA or the Second Trustee shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the Notice cannot be reasonably corrected within the applicable period, KISTA or the Second Trustee will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Board within the applicable period and diligently pursued until the default is corrected.

Section 11.02. The provisions of this Section relating to events of default are subject to the condition that if by reason of force majeure, the Board is unable in whole or in part to carry out its agreements herein contained, the Board shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation the following acts: acts of God, strikes, lockouts, or other disturbances; acts of public enemies, orders or restraints of any kind of the government of the United States of America or the Commonwealth, or any departments, agencies, or officials thereof, or any civil or military authorities; insurrections; riots; land slides; earthquakes; fires; storms; floods; or explosions.

ARTICLE VI

MAINTENANCE, MODIFICATION, TAXES, INSURANCE AND OTHER CHARGES

Section 6.01. The Board agrees that all times during the Lease Term it will at its own cost and expense maintain, preserve, and keep the Equipment in good repair, working order and condition and that the Board will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals.

Neither KISTA nor the Second Trustee shall have any responsibility with regard to the repair and maintenance of the Equipment except as regards the application of the proceeds of Collision Insurance as set forth in Article VIII hereof.

Section 6.02. KISTA and the Board contemplate and agree that the Equipment will be used only for governmental purposes of the Board and therefore, the Equipment will be exempt from all taxes presently assessed and levied with respect to personal property. In the event that the use, possession, or acquisition of the Equipment is found to be subject to taxation in any form, the Board will pay during the Lease Term, as the same respectively become due, all taxes and governmental charges whatsoever that may at any time be lawfully assessed or levied against or with respect to the Equipment or any equipment acquired in substitution thereof.

ARTICLE VII

LIABILITY INSURANCE

Section 7.01. The Board at its own expense shall cause Public Liability Insurance to be carried and maintained on the Equipment and the operation thereof in accordance with KRS 160.310, 702 KAR 5:070, and to the extent permitted by law and the Board will protect and hold KISTA harmless from all liability in connection with the operation of said Equipment in any and all events.

ARTICLE VIII

COLLISION INSURANCE

Section 8.01. Under the provisions of the Series 2023 Authorizing Resolution and Second Indenture KISTA has established from the proceeds of a portion of the Series 2023 Certificates (and the provisions of the First Indenture) the Insurance Reserve Fund in order to provide Collision Insurance for the Equipment of the Board and all buses of Participating Districts purchased from the proceeds of the KISTA Series 2023 Certificates.

Section 8.02. In the event of a collision causing damage to the Board's Equipment in an amount less than \$5,000 in a single accident, the Board shall be its own insurer and shall be solely responsible for the repair to the Equipment to the extent of \$5,000.

Section 8.03. In the event of a collision causing damage to Equipment in an amount in excess of \$5,000 in a single accident, the Board shall notify KISTA and the Second Trustee, which in turn shall notify the Claims Adjuster, who shall make an Appraisal and advise KISTA, the Second Trustee, and the Board accordingly. Any expenses and charges of the Claims Adjuster for the Appraisal shall be borne by KISTA from the Insurance Reserve Fund; provided, however, that the Board shall cooperate with KISTA and the Claims Adjuster in the processing of the claim and the Appraisal.

Section 8.04. In the event of damage to the Board's Equipment as a result of collision and as evidenced by the Appraisal indicates that the Equipment is damaged to an extent that repairs will not conform with the safety requirements of 702 KAR 5:030 and the Board determines that the cost of repairs to the Equipment will exceed its Depreciated Value and said repairs are therefore economically not feasible, the Board may (1) determine not to replace the Equipment damaged and advise the Second Trustee and KISTA accordingly at which time the Second Trustee shall transfer an amount from the Insurance Reserve Fund equal to the Depreciated Value less the Board's \$5,000 deductible, which shall be paid by the Board to the Second Trustee, in order that a total amount equal to the Depreciated Value of Equipment shall be transferred to the Certificate Fund and applied to the prepayment of the proportionate share of the Board's participation so that an amount of Series 2023 Certificates equal to such transfer shall be paid and retired in advance of their stated maturities (including accrued interest thereon), or (2) the Board may elect to replace the Equipment and shall accordingly advise the Second Trustee and KISTA of the difference between the \$5,000 deductible and the price of new Equipment, at which time the Second Trustee shall make payment from the Insurance Reserve Fund on behalf of the Board to the Vendor of new Equipment, but only to the extent of the Depreciated Value of the Equipment to be replaced and shall take appropriate steps to effect the security interest of KISTA in the new Equipment.

Section 11.03. Whenever any event of default referred to in Section 11.01 hereof shall have happened and be continuing, KISTA or the Second Trustee shall have the right at their sole option and without any further demand or notice, to take one or any combination of the following remedial steps.

- (a) With or without terminating this Series 2023 Lease, retake possession of the Equipment and sell, lease or sublease the Equipment for the account of the Board, holding the Board liable for rents and other amounts payable by the Board hereunder to the end of the Renewal Term then in effect; and
- (b) Take what ever action at law in equity may appear necessary or desirable to enforce the rights of KISTA or the Second Trustee as the owner of the Equipment.

Section 11.04. No remedy herein conferred upon or reserved to KISTA or the Second Trustee is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease now or hereafter existing at law or in equity.

ARTICLE XII

OPTION TO PURCHASE EQUIPMENT

Section 12.01. The Series 2023 Certificates are issued subject to the Board having the right on any Interest Payment Date on or after March 1, 2023 to purchase from KISTA, and to secure the release from the security interest securing the Series 2023 Certificates all or any part of the Equipment herein described and identified for a price equal to the Depreciated Value of the Equipment purchased on the date upon which said option is exercised, plus a sum equal to the accrued interest on a proportionate principal amount of Series 2023 Certificates to said date upon which said option is exercised.

Section 12.02. If the Board shall desire to exercise said option, it may do so by giving notice of its election in writing to the Second Trustee at least ninety (90) days prior to the Interest Payment Date upon which it desires to exercise said option. Thereupon, the Second Trustee at the direction of KISTA shall call for payment a principal amount of said Series 2023 Certificates equal to such sum rounded to the nearest multiple of \$5,000, such call to be strictly in accordance with the provisions of such Series 2023 Certificates and of the Second Indenture.

Upon the reduction of the Board's Participation by the payment of the option price, the Board's annual Rentals shall be reduced proportionately to reflect such reduced Participation.

ARTICLE XIII

TAX COVENANTS OF BOARD

Section 13.01. The Board covenants and agrees that so long as this Lease remains in effect it will use the Equipment only for governmental purposes.

Section 13.02. The Board understands and agrees that its Participation represented by the proportionate principal amount of the KISTA Series 2023 Certificates constitutes tax-exempt obligations issued by KISTA "on behalf of" the Board within the meaning of the Internal Revenue Code of 1986, and the Regulations of the United States Treasury Department promulgated thereunder just as if said KISTA Series 2023 Certificates had been issued on behalf of the Board by a school district finance corporation, county, or city, in accordance with the provisions of KRS 162.120 through 162.300 and 162.385 or KRS 65.940 through 65.956 or KRS 58.010 through 58.140.

Section 13.03. The Board understands and agrees that by virtue of the Board's Participation as represented by the Series 2023 Certificates issued "on behalf of" the Board in accordance with the Code and Regulations, said Participation shall count as an obligation issued by or on behalf of the Board during the calendar year ending December 31, 2023 and the Board understands further that in the determination of the issuance of "qualified tax-exempt obligations" under the provisions of Code Section 265(b)(3), as amended, and "Rebate Rules" under Code Section 148(f) said Participation must be included in the total of debt obligations issued during said calendar year.

The Board understands that the Series 2023 Certificates will not be issued as "qualified tax-exempt obligations" in accordance with Code Section 265(b).

ARTICLE XIV

ANNUAL ASSIGNMENT OF BOARD'S RIGHT TO STATE FUNDS

Section 14.01. The Board agrees that during any Renewal Term hereof, and so long as the Series 2023 Certificates remain outstanding, in the event of a failure by the Board to pay the Rentals due hereunder, and unless sufficient funds have been transmitted to the Second Trustee, or will be so transmitted, for paying said Rentals when due, the Board does hereby grant, pledge, and assign to KISTA or the Second Trustee acting on KISTA's behalf the right to notify and request the Kentucky Department of Education to withhold from the Board a sufficient portion of any undisbursed funds then held, set aside, or allocated to the Board and to request said Department to transfer the required amount thereof directly to the Second Trustee for the payment of such Rentals; said covenant constituting a pledge of "revenues" pursuant to KRS 65.942.

That by the execution hereof the Board hereby authorizes the Director, Division of Finance, or other designee of the Commissioner, acting pursuant to the authority of 702 KAR 3:020(7) and KRS 160.160(5) and the right delegated hereunder, upon the request of the Second Trustee, to transfer to said Second Trustee for deposit to the Certificate Fund any Rental installment remaining delinquent eight (8) days prior to an Interest Due Date during any Renewal Term.

Section 14.02. KISTA, by the execution of this Lease, hereby assigns to the Second Trustee its rights in and to the Rentals due hereunder, and hereby delegates to the Second Trustee the right to request the payment of a delinquent Rental by the Department in the event of a failure by the Board to pay said Rental in a timely manner on the fifteenth (15th) day of the month preceding any Interest Payment Date.

Section 14.03. The Board shall not be considered in default in the payment of any Rental due hereunder when said Rental has in fact been paid to the Second Trustee by the Department.

Section 14.04. In the event of a failure by the Department to pay a delinquent Rental of the Board upon the request of the Second Trustee by an Interest Payment Date, the Second Trustee shall transfer the delinquent amount from the Insurance Reserve Fund on the Interest Payment Date and the Board shall be charged said amount, plus interest at the annual penalty rate of ten percent (10%) per annum as additional Rental until paid.

ARTICLE XV

DEFINITIONS

That the following definitions shall be utilized in the interpretation of the Series 2023 Authorizing Resolution, the Second Indenture, and the Equipment Lease and Security Agreement.

"Act" means the Interlocal Cooperation Act codified as Sections 65.210 through 65.300 of KRS.

"Acquisition Contract" means the agreement between the Participating District and the Vendors relation to the purchase of Equipment.

"Acquisition Fund" means the "KISTA Equipment Acquisition Fund" established pursuant to the provisions of the Second Indenture in order to provide for the acquisition of Equipment for the Participating Districts.

"Administrative Expenses" shall mean those annual fees and expenses incurred by or on behalf of KISTA by the Second Trustee from the Insurance Reserve Fund in order to provide for the costs of administering KEAP, including, but not being limited to fees and expenses of the, Second Trustee, Certificate Registrar, Paying Agent, Insurance Premiums, Legal, Financial Advisory, fees and operational expenses of KISTA; including extraordinary fees and expenses incurred by KISTA outside the administration of KEAP.

"Appraisal" means the determination by the Claims Adjuster as to the nature and financial extent of damage to Equipment.

"Authorized Officers" means the President, Vice-President, Secretary/Treasurer of KISTA or any officer of the Second Trustee or any agents or employees of either duly authorized by Resolution of the KISTA Board or the Second Trustee to perform the act or sign the document in question.

"Certificate" shall mean a document signed by an authorized officer to or acknowledging the circumstances or other matters therein stated.

"Certificate Fund" means KISTA's "Equipment Lease Certificates of Participation Debt Service Fund" established pursuant to the provisions of the Second Indenture for the purpose of administering funds for the payment of the principal and interest requirements on Series Certificates.

"Certificates of Participation" or "COPS" means the Series 2014 Certificates, the Second Series 2014 Certificates, the Series 2015 Certificates, the Second Series 2015 Certificates, the Series 2016 Certificates, the Series 2017 Certificates, the Series 2018 Certificates, the Series 2019 Certificates, the Series 2020 Certificates, the Series 2021 Certificates, the Series 2022 Certificates, the Series 2023 Certificates and all subsequent Series Certificates issued under the Second Indenture which KISTA shall treat as Certificates of Participation.

"Certificate Registrar" means the Second Trustee acting in the capacity of Certificate Registrar or its successor appointed pursuant to the terms of the Second Indenture.

"Claims Adjuster" means the independent insurance company or agent thereof, or such other entity, as the KISTA Board may select and designate to process claims for collision damage to Equipment in excess of \$5,000 made by Participating Districts.

"Code" means the Internal Revenue Code of 1986, as amended, and any Regulations of the United State Treasury Department promulgated thereunder.

"Collision Insurance" means collision insurance coverage on Equipment in excess of \$5,000 to be provided by KISTA from the Insurance Reserve Fund; Participating Districts being responsible for damages up to \$5,000 for each separate incident from their own funds other than the Insurance Reserve Fund.

"Commonwealth" shall mean the Commonwealth of Kentucky.

"Cost of Issuance Fund" means the fund established pursuant to provisions of the Second Indenture from the proceeds of Series 2023 Certificates in order to provide for the costs of issuance of the Series 2023 Certificates and subsequent Series Certificates and any administrative fees in connection with the Second Indenture, the Series Leases, or KEAP generally.

"Counsel's Opinion" shall mean an opinion signed by an attorney or firm of attorneys of recognized national standing in the field of law relating to municipal finance as may be selected by KISTA or the Second Trustee.

"Delivery Date" or "Closing" shall mean with respect to each Series Certificates, the date upon which such Certificates are delivered to the successful purchaser thereof and payment is received by the Second Trustee on behalf of KISTA.

"Department" means the Kentucky Department of Education of the Commonwealth.

"Depreciated Value" means the value for the purposes of the Second Indenture and Series Leases of a particular piece of Equipment determined as of March 1 of each year calculated by deducting from the Equipment Cost the pro rata portion of the principal of the KISTA Series Certificates applied to the acquisition of the Equipment paid and retired as of the date the calculation is made; said pro rata portion shall be based upon a fraction with the Equipment Cost of the unit in question as a numerator and the Equipment Cost of all Equipment purchased with the proceeds of the particular Series Certificates as the denominator.

"Depreciation Allotment" means the calculation under 702 KAR 5:020 by the Department for the particular Equipment identified.

"District" or "Participating District" means the Board of Education of any school district entering into a Series Lease with KISTA to provide financing for Equipment purchased from the proceeds of KISTA Certificates.

"Equipment" means school buses financed from the proceeds of Series Certificates and subject to lien imposed by the Second Indenture and the security interest of the Registered Owners; depending upon the context said terms shall include the plural as well as the singular.

"Equipment Cost" means the total amount paid by the Second Trustee from the Acquisition fund on behalf of a Participating District to the Vendors for a particular piece of Equipment.

"Equipment Lease and Security Agreement" or "Series Lease" means the agreement made and entered into by and between KISTA, as Lessor, and the Participating District, as Lessee, relating to the lease of the Equipment from KISTA to said Participating District and providing for annual Rentals sufficient to retire the District's Participation in KEAP.

"Excess Earnings and Rebate Fund" means the fund established pursuant to the provisions of the Second Indenture to provide for the collection and remittance of any rebate payments due the United States Government under the Code.

"Fiduciary" or "Fiduciaries" shall mean the Second Trustee, any Certificate Registrar or Registrars or Paying Agent or Paying Agents or any of them as may be appropriate.

"Fiscal Year" shall mean each annual period of accounting for KISTA and each Participating District which shall begin on July 1 in any calendar year and end on June 30 of the following calendar year.

"Funds" means the Cost of Issuance Fund, Acquisition Fund, Bond Fund, Insurance Reserve Fund, Excess Earning and Rebate Fund, and any subaccounts established within said Funds under the Second Indenture.

"Indenture" or "Trust Indenture" means the Second Indenture of Trust by and between KISTA and the Second Trustee dated as of January 1, 2005, (the "Second Indenture") and all future amendments and supplements thereto.

"Initial Term" means the first term of any Series Lease beginning as of the date of the Series Certificates to which it relates and ending on the next succeeding June 30.

"Insurance Reserve Fund" means the "KISTA Insurance Reserve Fund" established pursuant to the terms of the Second Indenture to provide, under certain terms and conditions, collision insurance for the Equipment financed from the proceeds of the Certificates and for the purpose of providing a Debt Service Reserve for Series Certificates.

"Interest Payment Date" shall mean, for each Series Certificates, the date upon which interest on the Certificates of such series shall be payable, which shall be March 1 and September 1 of each Fiscal Year.

"Issue Date" means with respect to any Series Certificates of KISTA, the "dated" date of the Series Certificates specified and determined by the Series Resolution authorizing same.

"KAR" means Kentucky Administrative Regulations promulgated by agencies of the Commonwealth pursuant to the Kentucky Revised Statutes.

"KEAP" or "Program" means the KISTA Equipment Acquisition Program wherein KISTA, on behalf of the Participating Districts, acts as an issuing agency in the sale of the Series Certificates and the application of the proceeds of said Series Certificates to the acquisition of Equipment, the funding of the Insurance Reserve Fund, and the administration of the Series Certificates.

"KISTA Board" or "Board of Directors of KISTA" means the membership of the Board of Directors of KISTA consisting of the Superintendents of schools representing the Boards of Education of Lewis, Rowan, Elliott, Morgan, and Pendleton Counties (the "Initial Districts"), and the Superintendents of schools representing other Boards of Education as may from time to time be and become members of KISTA's Board of Directors as the KISTA Board shall elect (the "Subsequent Districts"). Retired superintendents may also serve on the KISTA Board.

"KRS" means the Kentucky Revised Statutes.

"Lease Term" means for any KEAP the Initial Term and all Renewal Terms of the Lease through June 30 of the fiscal year ten (10) years following the Initial Term.

"Liability Insurance" means liability insurance coverage required by KRS 160.310 and 702 KAR 5:070 to be maintained by Participating Districts in connection with the ownership and operation of Equipment.

"Mandatory Principal Payment" means the annual installment of principal established for Term Certificates by a Series Resolution (or certificate of KISTA accepting the successful bid for the sale of Series Certificates) which shall be paid on March 1 of each year for the retirement of Outstanding Certificates which mature after said March 1 date.

"Outstanding" when used with reference to the Certificates, shall mean, as of any date, all Certificates, theretofore or then being authenticated and delivered under the Second Indenture except: (a) Certificates canceled by the Second Trustee

prior to such date; (b) Certificates for the payment or redemption of which there shall be held in the Certificates Fund (or other account) in cash or Permitted Investments sufficient funds to pay when due, the principal amount, Mandatory Principal Payment, or redemption price, with all interest to said payment (provided appropriate notice shall have been given of redemption, if required); (c) Certificates in lieu of or in substitution for other Certificates which have been authenticated and delivered; and (d) Certificates deemed to have been paid as provided under the provisions of the Second Indenture.

"Owner" or "Registered Owner" means the owner of any KISTA Bond or Certificate issued pursuant to the terms of the Second Indenture.

"Parity Certificates" means subsequent Series Certificates issued under the Second Indenture ranking on the basis of parity as to security and source of payment with the Series 2023 Certificates issued thereunder and secured by the Insurance Reserve Fund and includes all Series Bonds and all Series Certificates.

"Participation" means the total financial obligation of a Participating District determined by applying the Participation Factor to the aggregate principal amount of an issue of Series Certificates.

"Participant Account" means the subaccount established within the Acquisition Fund for each Participating District to provide for that Participating District's pro rata acquisition of Equipment and the receipt of that Participating District's pro rata portion of the proceeds of Series Certificates.

"Participation Factor" means the percentage of participation of each Participating District calculated by the division of the cost of that Participating District's particular Equipment (numerator) by cost of all Equipment purchased from the proceeds of a particular Series of Certificates (denominator) which shall be applied to the aggregate principal amount of Certificates of that particular series in order to determine that District's pro rata portion of certificate discount, cost of issuance, accrued interest, Insurance Reserve Fund contribution, and any fees, expenses and costs incident to the authorization, sale and issuance of the Series Certificates.

"Paying Agent" means the Second Trustee under the Second Trust Indenture acting in its capacity as Paying Agent for the KISTA Certificates or its successors appointed pursuant to the terms of the Second Indenture.

"Permitted Investments" means any of the following investments permitted under KRS 66.480 which may be effected by the Second Trustee through "Money Market" or "Bond Fund" or "Common Trust Fund" certificates of a Fiduciary or through the Kentucky Governmental Organizations Liquidity Fund by virtue of an Investment Agreement to which KISTA is a party, as follows:

- (i) Obligations of the United States and of its agencies and instrumentalities, including obligations subject to repurchase agreements, if delivery of these obligations subject to repurchase agreements is taken either directly or through an authorized custodian. These investments may be accomplished through repurchase agreements reached with sources including, but not limited to, national or state banks chartered in Kentucky;
- (ii) Obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or a United States government agency, including but not limited to:
 - 1. United States Treasury;
 - 2. Export-Import Bank of the United States;
 - 3. Farmers Home Administration;
 - 4. Government National Mortgage Corporation; and
 - 5. Merchant Marine bonds;

- (iii) Obligations of any corporation of the United States government, including but not limited to:
 - 1. Federal Home Loan Mortgage Corporation;
 - 2. Federal Farm Credit Banks;
 - 3. Bank for Cooperatives;
 - 4. Federal Intermediate Credit Banks;
 - 5. Federal Land Banks;
 - 6. Federal Home Loan Banks;
 - 7. Federal National Mortgage Association; and
 - 8. Tennessee Valley Authority;
- (iv) Certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation or similar entity or which are collateralized, to the extent uninsured, by any obligations permitted by KRS 41.240(4);
- (v) Uncollateralized certificates of deposit issued by any bank or savings and loan institution rated in one (1) of the three (3) highest categories by a nationally recognized rating agency;*
- (vi) Bankers' acceptances for banks rated in one (1) of the three (3) highest categories by a nationally recognized rating agency;*
- (vii) Commercial paper rated in the highest category by a nationally recognized rating agency;*
- (viii) Certificates of indebtedness of the Commonwealth of Kentucky and of its agencies and instrumentalities;
- (ix) Securities issued by a state or local government, or any instrumentality of agency thereof, in the United States, and rated in one (1) of the three (3) highest categories by a nationally recognized rating agency;* and
- (x) Shares of mutual funds, each of which shall have the following characteristics:
 - (i) The mutual fund shall be an open-end diversified investment company registered under the Federal Investment Company Act of 1940, as amended;
 - (ii) The management company of the investment company shall have been in operation for at least five (5) years; and
 - (iii) All of the securities in the mutual fund shall be eligible investments as set forth above.

*The Permitted Investments set forth above in one or more of subsections (v), (vi), (vii) and (ix) above shall not exceed twenty percent (20%) of the total of all funds of KISTA on deposit with the Second Trustee pursuant to the Second Indenture.

"Person" shall mean any individual, firm, partnership, association, corporation, or governmental agency or political subdivision.

"Principal Payment" means the payment of principal on Outstanding Certificates scheduled to become due on March 1 of the year in which paid.

"Principal Payment Date" shall mean, for each Series Bonds or Series Certificates, the date upon which principal on the Certificates of such series shall be payable, which shall be March 1 of each fiscal year.

"Purchase Option" means the right of each Participating District to purchase its respective equipment on any Interest Due Date for a price equal to the Depreciated Value of its Equipment, plus accrued interest to the Interest Due Date upon which the pro rata portion of the appropriate Series Certificates are retired, but without premium.

"Refunding Certificates" means Series Certificates issued by KISTA under the Second Indenture to provide for the payment and retirement of previously issued Series Certificates.

"Registered Owners" means the persons or legal entities (including Cede & Co.) which are the Owners of Series Certificates as shown on the books of the Certificate Registrar for the particular Series.

"Renewal Term" means each additional term of the Lease beginning July 1 of each year and ending on June 30 of the following year.

"Rental Payments" or "Rentals" shall mean the amounts due to KISTA each year as Rentals from Participating Districts under the Leases which shall be payable on February 15 and August 15 of each year.

"Schedule of Participation" means Exhibit A to each Lease setting forth the respective Participating Board's Participation, Participation Factor, Rentals, and identifying the Equipment leased.

"Serial Certificates" means those Certificates designated in a Series Resolution (or certificate of KISTA accepting the successful bid for the sale of Series Certificates) as having sequential principal maturities on March 1 of consecutive years.

"Series Resolution" or "Authorizing Resolution" means a Resolution adopted by the KISTA Board authorizing the issuance, sale, and delivery of a particular series of KISTA Certificates in accordance with the terms of the Second Indenture.

"State" shall mean the Commonwealth of Kentucky.

"Supplemental Trust Indenture" means a document amending the original provisions of the Second Indenture as permitted thereunder.

"Term Certificates" means those Certificates designated in a Series Resolution (or certificate of KISTA accepting the successful bid for the sale of Series Certificates) as having a single maturity date, but which are subject to Mandatory Principal Payments.

"Trustee" means The Huntington National Bank, Cincinnati, Ohio, Second Trustee under the Second Indenture or its successors pursuant to the terms of the Indenture.

"Vendors" or "Equipment Vendors" shall mean the vendors of the Equipment to the Participating Districts.

ARTICLE XVI

CONTRACTUAL PROVISIONS SUBORDINATE TO RIGHTS OF REGISTERED OWNERS OF SERIES 2023 CERTIFICATES

Section 16.01. It is hereby agreed that the provisions of this Lease are hereby subordinate to the rights of the Registered Owners of KISTA's Equipment Lease Certificates of Participation, Series of 2023, dated April 13, 2023 and any additional Parity Certificates issued by KISTA under the Second Indenture.

IN TESTIMONY WHEREOF, the KISTA has caused this instrument to be executed for and on its behalf by its President, attested by its Secretary/Treasurer, and the Board has caused this instrument to be executed for and on its behalf by its Chairman, attested by its Secretary/Treasurer, as of date first above written.

**KENTUCKY INTERLOCAL SCHOOL
TRANSPORTATION ASSOCIATION**



President

Attest:



Secretary/Treasurer

BOARD OF EDUCATION OF FT. THOMAS, KENTUCKY

Chairman

Attest:

Secretary

The foregoing instrument was prepared by David B. Malone, Bond Counsel, Steptoe & Johnson PLLC, Attorneys at Law, 700 N. Hurstbourne Pkwy., Suite 115, Louisville, Kentucky 40222. Original signatures of KISTA Officers on file with Bond Counsel.



DAVID B. MALONE

KISTA Bond Pool Sizing First Series of 2023

Ft. Thomas ISD

Dated Date:
Delivery:

13-Apr-22
13-Apr-22

Par amount of Bonds:
Total Sources of Funds:

\$ 137,014.00
\$ 137,014.00

Sources

Deposit to Acquisition Fund:
Deposit to Insurance Reserve Fund & Cost of Issuance Fund:
Total Uses of Funds:

\$ 136,077.00
\$ 937.00
\$ 137,014.00

Uses

District's Average Cost/Unit:
District's Total Bus Units through KISTA:
Participation Factor in the KISTA Pool:

\$ 137,014.00
1
1.08%

District's Proportionate Amount of KISTA Bond Payments

Payment Date	Coupon	Principal	Less Accrued	Interest	Total	Date Paid	Check #	FY Total
1-Sep-23				\$ 2,100.90	\$ 2,100.90			
1-Mar-24	3.000%	\$ 13,390		\$ 2,740.31	\$ 16,130.31			\$ 18,231.21
1-Sep-24				\$ 2,472.51	\$ 2,472.51			
1-Mar-25	3.000%	\$ 13,336		\$ 2,472.51	\$ 15,808.51			\$ 18,281.02
1-Sep-25				\$ 2,205.80	\$ 2,205.80			
1-Mar-26	3.000%	\$ 12,475		\$ 2,205.80	\$ 14,680.80			\$ 16,886.60
1-Sep-26				\$ 1,956.29	\$ 1,956.29			
1-Mar-27	3.500%	\$ 12,959		\$ 1,956.29	\$ 14,915.29			\$ 16,871.58
1-Sep-27				\$ 1,697.10	\$ 1,697.10			
1-Mar-28	3.500%	\$ 13,497		\$ 1,697.10	\$ 15,194.10			\$ 16,891.20
1-Sep-28				\$ 1,427.15	\$ 1,427.15			
1-Mar-29	3.500%	\$ 14,089		\$ 1,427.15	\$ 15,516.15			\$ 16,943.30
1-Sep-29				\$ 1,145.38	\$ 1,145.38			
1-Mar-30	3.500%	\$ 14,626		\$ 1,145.38	\$ 15,771.38			\$ 16,916.76
1-Sep-30				\$ 852.85	\$ 852.85			
1-Mar-31	3.750%	\$ 15,218		\$ 852.85	\$ 16,070.85			\$ 16,923.70
1-Sep-31				\$ 548.49	\$ 548.49			
1-Mar-32	3.750%	\$ 13,443		\$ 548.49	\$ 13,991.49			\$ 14,539.98
1-Sep-32				\$ 279.62	\$ 279.62			
1-Mar-33	3.750%	\$ 13,981		\$ 279.62	\$ 14,260.62			\$ 14,540.24
Subtotals:		\$ 137,014		\$ 30,011.59	\$ 167,025.59			\$ 167,025.59

Reference on your check (KISTA - First Series of 2023); then remit to:

Huntington National Bank
ABA: #0440 0002 4
Trust Department
ACCT: 5082019083
ATTN: Amy Thompson
Ref: KISTA Bus 2023 COPs

If you have a question of your bond payment, contact:

Mailing Instructions:
Huntington National Bank
525 VINE STREET 14TH FLOOR
CINCINNATI OH 45202
Telephone: (513) 366-3073

IN TESTIMONY WHEREOF, the KISTA has caused this instrument to be executed for and on its behalf by its President, attested by its Secretary/Treasurer, and the Board has caused this instrument to be executed for and on its behalf by its Chairman, attested by its Secretary/Treasurer, as of date first above written.

**KENTUCKY INTERLOCAL SCHOOL
TRANSPORTATION ASSOCIATION**



President

Attest:



Secretary/Treasurer

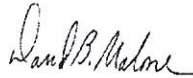
BOARD OF EDUCATION OF FT. THOMAS, KENTUCKY

Chairman

Attest:

Secretary

The foregoing instrument was prepared by David B. Malone, Bond Counsel, Steptoe & Johnson PLLC, Attorneys at Law, 700 N. Hurstbourne Pkwy., Suite 115, Louisville, Kentucky 40222. Original signatures of KISTA Officers on file with Bond Counsel.



DAVID B. MALONE

Information Return for Tax-Exempt Governmental Bonds

► Under Internal Revenue Code section 149(e)

► See separate instructions.

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.

OMB No. 1545-0047

Part I Reporting AuthorityCheck box if Amended Return ☐

1 Issuer's name Board of Education of Fort Thomas, Kentucky		2 Issuer's employer identification number (EIN) 61-6001405
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) Lincoln Theinert, Financial Advisor		3b Telephone number of other person shown on 3a 859-977-6600
4 Number and street (or P.O. box if mail is not delivered to street address) 147 East Third Street	Room/suite	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code Lexington, Kentucky 40508		7 Date of issue April 13, 2023
8 Name of issue Equipment Lease Certificates of Participation, Series of 2023		9 CUSIP number 491325 NQ 5
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information		10b Telephone number of officer or other employee shown on 10a

Part II Type of Issue (Enter the issue price.) See the instructions and attach schedule.

11 Education	11 141,531
12 Health and hospital	12
13 Transportation	13
14 Public safety	14
15 Environment (including sewage bonds)	15
16 Housing	16
17 Utilities	17
18 Other. Describe ►	18
19a If bonds are TANs or RANs, check only box 19a	<input type="checkbox"/>
b If bonds are BANs, check only box 19b	<input type="checkbox"/>
20 If bonds are in the form of a lease or installment sale, check box	<input type="checkbox"/>

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

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	03/01/2033	\$ 141,531	\$ 137,014	5.498 years	3.2122609 %

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

22 Proceeds used for accrued interest	22 0
23 Issue price of entire issue (enter amount from line 21, column (b))	23 141,531
24 Proceeds used for bond issuance costs (including underwriters' discount)	24 2,129
25 Proceeds used for credit enhancement	25
26 Proceeds allocated to reasonably required reserve or replacement fund	26 2,753
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 4,882
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30 136,649

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

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

Part VI Miscellaneous

- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) **35**
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions **36a**
- b** Enter the final maturity date of the GIC ► (MM/DD/YYYY) _____
- c** Enter the name of the GIC provider ► _____
- 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units **37**
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box ► ☒ and enter the following information:
- b** Enter the date of the master pool bond ► (MM/DD/YYYY) 04/13/2023
- c** Enter the EIN of the issuer of the master pool bond ► 31-1514814
- d** Enter the name of the issuer of the master pool bond ► KY Interlocal School Transportation Association
- 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ► ☐
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ► ☐
- 41a** If the issuer has identified a hedge, check here ► ☐ and enter the following information:
- b** Name of hedge provider ► _____
- c** Type of hedge ► _____
- d** Term of hedge ► _____
- 42** If the issuer has superintegrated the hedge, check box ► ☐
- 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ► ☒
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box ► ☒
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here ► ☐ and enter the amount of reimbursement ► _____
- b** Enter the date the official intent was adopted ► (MM/DD/YYYY) _____

Signature and Consent

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

Signature of issuer's authorized representative _____ Date 04/13/2023 _____, Secretary

Paid Preparer Use Only

Print/Type preparer's name David B. Malone	Preparer's signature _____	Date 04/13/2023	Check <input type="checkbox"/> if self-employed	PTIN P01701951
Firm's name ► Steptoe & Johnson PLLC			Firm's EIN ► 55-0286140	
Firm's address ► 700 N. Hurstbourne Pkwy., Suite 115, Louisville, Kentucky 40222			Phone no. 502-423-2000	

\$12,740,000
KENTUCKY INTERLOCAL SCHOOL TRANSPORTATION ASSOCIATION
EQUIPMENT LEASE CERTIFICATES OF PARTICIPATION
SERIES 2023

Dated: April 13, 2023

Delivery Date: April 13, 2023

TAX CERTIFICATE

The undersigned is the Chairperson of the Board of Education of Ft. Thomas, Kentucky (the "*Participating District*") in connection with the acquisition of school buses.

This Tax Certificate (the "*Tax Certificate*") is executed as of April 13, 2023, for the purpose of establishing the reasonable expectations of the Participating District as to future events regarding that portion of the \$12,740,000.00 Equipment Lease Certificates of Participation, Series 2023 (the "*Series 2023 Certificates*") to be received by the Participating District (the "*Participating District's Proceeds*") and the use of the Participating District's Proceeds. The certifications and representations made herein are intended, and may be relied upon, as a certification described in Section 1.148-2(b)(2) of the Treasury Regulations.

NOW, THEREFORE, the Participating District hereby certifies, covenants, represents and agrees as follows:

Section 1.1 Definitions. Capitalized terms used herein which are not otherwise defined herein shall have the respective meanings set forth in Sections 103, 141 through 150 of the Internal Revenue Code of 1986, as amended (the "*Code*"), and related Treasury Regulations.

Section 1.2 Use of the Participating District's Proceeds. The Participating District's Proceeds will be used by the Participating District to purchase 1 bus(es) (the "*Equipment*") within six months of the issue date of the Series 2023 Certificates.

Section 1.3 Governmental Bond. The Equipment is expected during the term of the Series 2023 Certificates to be used by the Participating District in conjunction with the Participating District's governmental purposes. The Equipment is not expected during the term of the Series 2023 Certificates to be sold or disposed of in whole or in part.

Section 1.4 Equipment. The Equipment is governmentally owned and will continue to be owned by the Participating District and will not be leased or otherwise made available to any person who is not a State or local governmental unit either by the Participating District or other State or local governmental unit, except as permitted by applicable law. The Participating District does not expect to sell or otherwise dispose of the Equipment, in whole or in part, prior to the last maturity date of the Series 2023 Certificates.

Section 1.5 Authority. The undersigned is an authorized representative of the Participating District and is acting for and on behalf of the Participating District and the Board in executing this Tax Certificate. To the best of the knowledge and belief of the undersigned representative of the Participating District, there are no other facts, estimates or circumstances that would materially change the expectations as set forth herein, and said expectations are reasonable.

DATED as of April 13, 2023.

BOARD OF EDUCATION OF FT.
THOMAS, KENTUCKY

By _____
Chairperson, Board of Education