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MEMORANDUM

TO: All Participants in KISTA's Equipment Acquisition Program

FROM: David B. Malone, Bond Counsel, Steptoe & Johnson PLLC

DATE: March 13, 2018

RE: Kentucky Interlocal School Transportation Association Equipment Lease Certificates of Participation, Series of 2018, dated March 1, 2018 ("Certificates")

Ladies and Gentlemen:

PLEASE RETAIN A COPY OF THIS MEMORANDUM FOR FUTURE REFERENCE BY THE PERSON CHARGED WITH THE RESPONSIBILITY OF ADMINISTERING THE ACQUISITION OF YOUR BUSES.

Enclosed herewith please find the following:

1. One full length (14 pages) Equipment Lease and Security Agreement ("Lease") to be signed and KEPT BY YOUR DISTRICT FOR ITS PERMANENT RECORDS. Attached (page 14) at the end of the Lease is the Final Schedule for your District which indicates the exact Rental Payments due under your Lease with KISTA to pay your portion of the Certificates. Your Auditors will want to review this document.
2. One Signature Page of Lease (page 13) to be signed by Chairman and Secretary of your Board and returned to Steptoe & Johnson PLLC in the enclosed self-addressed envelope by return mail.
3. IRS Form 8038-G or 8038-GC to be signed by Secretary of your Board and returned to Steptoe & Johnson PLLC in the enclosed self-addressed envelope by return mail.
4. Tax Certificate to be signed by Chairman and Secretary of your Board and returned to Steptoe & Johnson PLLC in the enclosed self-addressed envelope by return mail.
5. Self-addressed envelope for returning the signature page of Lease and IRS Form no later than April 1, 2018 (Items #2, 3 and 4 above).

IMMEDIATE ACTION REQUESTED

THE EXECUTION OF THIS LEASE WAS PREVIOUSLY AUTHORIZED BY THE PARTICIPATION RESOLUTION ADOPTED BY YOUR BOARD WHEN ORDERING BUSES.

PLEASE CHECK THE TAXPAYER ID NUMBERS (PAGE 1 OF EQUIPMENT LEASE AND BOX 2 OF IRS FORM) IN ORDER TO MAKE SURE WE ARE USING YOUR BOARD'S CORRECT FEDERAL TAXPAYER IDENTIFICATION NUMBER.

NEXT, PLEASE HAVE YOUR CHAIRMAN AND SECRETARY SIGN THE ENCLOSED SIGNATURE PAGE OF THE LEASE (PAGE 13) AND RETURN SAME TO ME IN THE ENCLOSED ENVELOPE AT YOUR EARLIEST CONVENIENCE ALONG WITH THE IRS FORM.

NEXT, PLEASE HAVE THE BOARD'S SECRETARY SIGN THE ENCLOSED IRS FORM AT THE BOTTOM AND RETURN SAME TO ME IN THE ENCLOSED ENVELOPE WITH THE LEASE SIGNATURE PAGE AT YOUR EARLIEST CONVENIENCE. PLEASE PRINT THE SECRETARY'S NAME OPPOSITE THE SIGNATURE AT THE BOTTOM OF THE FORM.

BUS ACQUISITION PROCEDURE

Under the 2005 Indenture under which KISTA has issued the Series 2018 Certificates IT IS NECESSARY for us to obtain Certificates of Title for buses purchased through KISTA; THEREFORE, we request that you EMAIL TO THIS OFFICE (judy.zaepfel@steptoe-johnson.com) copies of your Certificates of Title as same are issued for each bus. This is very important for collision insurance coverage purposes.

Please note that for all buses purchased since 2006 your payments should be directed to: **The Huntington National Bank, 525 Vine Street, 14th Floor, Cincinnati, Ohio 45202, ATTN: Corporate Trust Department, Reference Series 2018 KISTA Lease, ATTN: Cheri Scott-Geraci, Vice President, Phone: 513-366-3073, Fax: 513-366-3082.** For payments to vendor, invoice should be faxed to Mr. Lincoln Theinert as indicated below. Lease rental payments for the Series 2018 Certificates are due on August 15 and March 15 of each year (commencing March 15, 2018).

SUMMARY OF ACTION REQUESTED BY THIS MEMO

1. Please return one signed copy of the signature page of the Lease to me in the enclosed envelope as soon as possible (no later than April 1, 2018).
2. Return the signed IRS form 8038-G or 8038-GC to me in the enclosed envelope as soon as possible (no later than April 1, 2018).
3. Return the signed Tax Certificate to me in the enclosed envelope as soon as possible (no later than April 1, 2018).
4. Please email a copy of the Certificate of Title for each bus when issued by the County Clerk to Judy Zaepfel of our office (judy.zaepfel@steptoe-johnson.com).
5. Keep the enclosed Schedule attached to your Lease in order that your District may make timely payments under the Lease beginning August 15, 2018, and continuing semi-annually on March 15 and August 15 of each year.
6. Upon your receipt of your chassis invoice, please fax a copy immediately for payment to: Mr. Lincoln Theinert at Ross, Sinclair & Associates, LLC (859-381-1357).
7. If you have a claim for collision insurance provided by KISTA (claims in excess of \$5,000), you should immediately notify Mr. Lincoln Theinert at Ross, Sinclair & Associates, LLC (800-255-0795).
8. If you have any questions about any aspect of the KISTA Equipment Acquisition Program, please don't hesitate to contact me at the number above or Mr. Theinert at the number indicated below.

PLEASE NOTE THAT KISTA CANNOT PAY A BUS INVOICE UNLESS FAXED TO MR. THEINERT AS REQUESTED ABOVE, HOWEVER, DO NOT FAX THE INVOICE UNLESS YOU FIND THE BUS ACCEPTABLE. COMPLAINTS CONCERNING DEFECTS SHOULD BE DIRECTED TO THE VENDOR.

If you are not going to be handling your bus transactions yourself, please see that your Transportation Officer or other party responsible receives a copy of this Memorandum. This would be greatly appreciated. Thank you for your courtesy and cooperation.

Sincerely yours,



DAVID B. MALONE

DBM:jmz
Enclosures
cc:

Ms. Cheri Scott-Geraci
The Huntington National Bank
Corporate Trust Department
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Cincinnati, Ohio 45202
Telephone: 513-366-3073
Fax: 513-366-3082

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