



Key Government Finance, Inc.  
1000 South McCaslin Boulevard  
Superior, CO 80027-9456  
Email: tamura.m.kaler@key.com

Wednesday, October 22, 2014

Gus Ornelas  
Webb County  
1110 Washington, Suite 101  
Laredo, TX 78040

Dear Mr. Ornelas:

Enclosed, please find two (2) sets of financing documents for your review and execution. (If these documents were emailed to you, please print out two (2) sets.) Execute both sets and return all of the originals to my attention. **The original sets of the executed documents are required prior to funding your transaction.** \*Please note that KGF requires the return of the fully executed documents by December 01, 2014; otherwise, this transaction *may* be subject to repricing.\* To expedite the return of these documents, please overnight them to me using Key Government Finance's FedEx account #129905042, and send to:

**KEY GOVERNMENT FINANCE, INC. ATTN: Tammy Kaler**  
**1000 S. MCCASLIN BLVD., SUPERIOR, CO 80027**

**Only the person with Signing Authority, listed on the Lessee's Certificate, should execute the documents. For verification of original documents, please execute in blue ink.** Upon closing, Key Government Finance will return a fully executed original set for your files.

**These documents are a short form document that is only negotiable for statutory items. If you require statutory changes, please provide requested changes along with the statutory references. If non-statutory changes are requested, please let me know and I will send you our negotiable Master Lease Document.**

Please refer to the enclosed Document Checklist when preparing the documents.

Executed documents required for funding are:

1. Tax-Exempt Lease/Purchase Agreement
2. Addendum to Tax-Exempt Lease/Purchase Agreement
3. Property Schedule to Tax-Exempt Lease/Purchase Agreement
4. Exhibit B – Certificate of Acceptance
5. Exhibit C – Lessee's Counsel's Opinion
6. Exhibit D – Lessee's Certificate
7. Exhibit E – Bank Qualification Certificate
8. Certificate of Insurance – **Required prior to funding.**
9. Notification of Tax Treatment with Tax Exemption Certificate or Letter – **Required for annual state tax audits.**
10. Invoicing Instructions – **Required in order to ensure that invoices are directed to the proper area in your organization.**
11. 8038-GC

Please contact either John Miller at (720) 904-4251 or me at (720) 304-1202 with any questions.

Sincerely,

*Tammy Kaler*  
Account Manager

# Addendum to Tax-Exempt Lease/Purchase Agreement Texas

---

THIS ADDENDUM, which is entered into as of November 01, 2014 between Key Government Finance, Inc. ("Lessor") and Webb County ("Lessee"), is intended to modify and supplement the Tax-Exempt Lease/Purchase Agreement between Lessor and Lessee of even date herewith (the "Agreement"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

In addition to the representations, warranties and covenants set forth in the Agreement, Lessee represents, warrants and covenants to and with Lessor that if the Property subject to the Property Schedule includes school buses, the Board has determined that the Property Schedule is economically advantageous to Lessee.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Addendum to be executed in their names by their duly authorized representatives as of the date first above written.

<b>Lessor: Key Government Finance, Inc.</b>
By:
Name:
Title:

<b>Lessee: Webb County</b>
By:
Name:
Title:

Attest
By:
Name:
Title:

# DOCUMENTATION CHECKLIST

- Tax-Exempt Lease/Purchase Agreement**
- Addendum to Tax-Exempt Lease/Purchase Agreement\***
- Property Schedule to Tax-Exempt Lease/Purchase Agreement\***
- Exhibit B** – **Certificate of Acceptance.** *The date of Acceptance will need to be filled in* with the date the equipment is installed and accepted.
- Exhibit C** – **Lessee’s Counsel’s Opinion.** Exhibit C is the standard legal opinion used by Key Government Finance, Inc. This opinion will need to be processed by your attorney on their letterhead. Your attorney will want to review the Lease/Purchase Agreement.
- Exhibit D** – **Lessee’s Certificate.** Please fill in the date of the meeting of the governing body, referenced in section one. We would also like a copy of those minutes or board resolutions for our files.
- Exhibit E** – **Bank Qualification Certificate.** One of the two boxes *must* be checked off.
- Request for Certificate of Insurance** – Please fill out the form and fax it to your insurance company. The Insurance Certificate is required prior to funding.
- Notification of Tax Treatment** – Please provide your State of Sales/Use Tax Exemption Certificate, this is required prior to funding.
- Invoicing Instructions** – The information you provide enables us to invoice you correctly.
- IRS Form 8038-GC**  
The original form will be required for funding, which we will submit to the IRS on your behalf. Or, you may submit the original completed form to the IRS directly. KGF will require a copy of the completed form and proof of filing prior to funding

\*The items above marked with an asterisk require a signature in the presence of a witness/attestor. The attesting of the signature does not require a notary, but the signature of a person present at the time the document is signed.

## Tax-Exempt Lease/Purchase Agreement, Dated November 01, 2014

<b>Accepted by Lessor:</b>
----------------------------

Key Government Finance, Inc. 1000 South McCaslin Blvd. Superior, CO 80027
---

By:
-----

Name:
-------

Title:
--------

<b>Agreed to by Lessee:</b>
-----------------------------

Webb County 1110 Washington, Suite 101 Laredo, TX 78040
---

By:
-----

Name:
-------

Title:
--------

**AGREEMENT:** Lessor hereby leases to Lessee and Lessee hereby rents from Lessor all the Property described in Property Schedule incorporated herein by reference, upon the terms and conditions set forth herein and as supplemented by the terms and conditions set forth in the Property Schedule. This Tax-Exempt Lease / Purchase Agreement together with the Property Schedule shall be defined as the Agreement.

**LEASE TERM:** The Lease Term of the Property listed in the Property Schedule shall begin upon the commencement date, as noted in the Property Schedule to Tax-Exempt Lease/Purchase Agreement, and continue for the time period set forth in the Property Schedule. This Agreement cannot be canceled or terminated by Lessee except as expressly provided herein. This Agreement is a triple net lease.

**LEASE PAYMENTS:** Lessee shall pay rent to Lessor for the Property in the amounts, and on the dates specified, in the Property Schedule. Lessor and Lessee intend that the obligation of Lessee to pay Lease Payments hereunder shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or monies of Lessee.

**NO OFFSET:** SUBJECT TO THE RIGHT TO NON-APPROPRIATE, THE OBLIGATIONS OF LESSEE TO PAY THE LEASE PAYMENTS DUE UNDER THE PROPERTY SCHEDULE AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED IN THIS AGREEMENT SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE PROPERTY OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES. THIS PROVISION SHALL NOT LIMIT LESSEE'S RIGHTS OR ACTIONS AGAINST ANY VENDOR. Lessee shall pay when due all taxes and governmental charges assessed or levied against or with respect to the Property.

**LATE CHARGES:** Should Lessee fail to duly pay any part of any Lease Payment or other sum to be paid to Lessor under this Agreement on the date on which such amount is due hereunder, then Lessee shall pay late charges on such delinquent payment from the due date thereof until paid at the rate of 12% per annum or the highest rate permitted by law, whichever is less.

**MAINTENANCE OF PROPERTY:** At all times during the Lease Term, Lessee shall, at Lessee's own cost and expense, maintain, preserve, and keep the Property in good working order, and condition, and from time to time make or cause to be made all necessary and proper repairs, replacements, and renewals to the Property, which shall become part of the Property. The Property is and will remain personal property.

**INSURANCE OF PROPERTY:** All risk of loss to the Property shall be borne by the Lessee. At all times during the Lease Term, Lessee shall, at Lessee's own cost and expense, cause casualty, public liability, and property damage insurance to be carried and maintained (or shall provide Lessor with a certificate stating that adequate self-insurance has been provided) with respect to the Property, sufficient to protect the full replacement value of the Property and to protect from liability in all events for which insurance is customarily available. Lessee shall furnish to Lessor certificates evidencing such coverage throughout the Lease Term. Any insurance policy to be carried and maintained pursuant to this Agreement shall be so written or endorsed as to make losses, if any, payable to Lessee and Lessor as their respective interests may appear. All such liability insurance shall name Lessor as an additional insured. Each insurance policy carried and maintained pursuant to this Agreement shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially or adversely to the interest of the Lessor without first giving written notice thereof to Lessor at least 30 days in advance of such change of status.

**QUIET ENJOYMENT AND TERMINATION OF LESSOR'S INTEREST:** To secure Lessee's obligations hereunder, Lessor is granted a security interest in the Property, including substitutions, repairs, replacements and renewals, and the proceeds thereof, which is a first lien thereon. Lessee hereby authorizes Lessor to file all financing statements which Lessor deems necessary or appropriate to establish, maintain and perfect such security interest. Provided there does not exist an Event of Default as defined herein, the Lessee shall have the right of quiet enjoyment of the Property throughout the Lease Term. Unless otherwise required by law, title to the Property shall be in the name of Lessee, subject to Lessor's interest hereunder.

**OPTION TO PURCHASE:** If Lessee shall have performed all of its obligations and no default shall have occurred and be continuing under this Agreement, and this Agreement shall not have been earlier terminated with respect to the Property, then, at the end of the Lease Term with respect to any item of Property, Lessee shall have the option to purchase Lessor's entire interest in all of the Property subject to this Property Schedule and to terminate any restrictions herein on the Property under this Property Schedule on the last day of the Lease Term for this Property Schedule, if this Property Schedule is still in effect on such day, upon payment in full of the Rental Payments due thereunder plus payment of One (1) Dollar to Lessor. Lessee shall give written notice to Lessor of its intent to purchase Lessor's interest in the Property at least sixty (60) days prior to the last day of the Lease Term for this Property Schedule. Upon exercise of the purchase option as set forth in this Option to Purchase section and payment of the purchase price under this Property Schedule, and performance by Lessee of all other terms, conditions and provisions hereof, Lessor shall deliver to Lessee all such documents and instruments as Lessee may reasonably require to evidence the transfer, without warranty by or recourse to Lessor, of all of Lessor's right, title and interest in and to the Property subject to this Property Schedule to Lessee, whereupon Lessor's interest in such Property shall terminate.

**TAX EXEMPTION:** The parties contemplate that interest payable under this Agreement will be excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). The tax-exempt status of this Agreement provides the inducement for the Lessor to offer financing at the interest rate set forth herein. Therefore, should this Agreement be deemed by any taxing authority not to be exempt from taxation, Lessee agrees that the interest rate shall be adjusted, as of the date of loss of tax exemption, to an interest rate calculated to provide Lessor or its assignee an after tax yield equivalent to the tax exempt rate and Lessor shall notify Lessee of the taxable rate. Provided, however, that the provision of the preceding sentence shall apply only upon a final determination that the interest payments are not excludable from gross income under Section 103(a) of the Code, and shall not apply if the determination is based upon the individual tax circumstances of the Lessor, or a finding that the party seeking to exclude such payments from gross income is not the owner and holder of the obligation under the Code.

**REPRESENTATIONS AND WARRANTIES OF LESSEE:** Lessee hereby represents and warrants to Lessor that: (a) Lessee is a State, possession of the United States, the District of Columbia, or political subdivision thereof as defined in Section 103 of the Code and Treasury Regulations and Rulings related thereto. If Lessee is incorporated, it is duly organized and existing under the Constitution and laws of its jurisdiction of incorporation and will do or cause to be done all things necessary to preserve and keep such organization and existence in full force and effect. (b) Lessee has been duly authorized by the Constitution and laws of the SnapOut TELP-Appropriation

KEYCORP CONFIDENTIAL - This is counterpart # \_\_\_\_\_ of \_\_\_\_\_ manually executed counterparts. Only counterpart # 1 constitutes chattel paper

applicable jurisdiction and by a resolution of its governing body (which resolution, if requested by Lessor, is attached hereto), to execute and deliver this Agreement and to carry out its obligations hereunder. (c) All legal requirements have been met, and procedures have been followed, including public bidding, in order to ensure the enforceability of this Agreement. (d) The Property will be used by Lessee only for essential governmental or proprietary functions of Lessee consistent with the scope of Lessee's authority and will not be used in a trade or business of any person or entity, by the federal government or for any personal, family or household use. Lessee's need for the Property is not expected to diminish during the term of the Agreement. (e) Lessee has funds available to pay Lease Payments until the end of its current appropriation period, and it intends to request funds to make Lease Payments in each appropriation period, from now until the end of the term of this Agreement. (f) The Lessee shall comply at all times with all applicable requirements of the Code, including but not limited to the registration and reporting requirements of Section 149, to maintain the federal tax-exempt status of the Agreement. The Lessee shall maintain a system with respect to this Agreement, which tracks the name, and ownership interest of each assignee who has both the responsibility for administration of, and ownership interest in this Agreement. (g) Lessee's exact legal name is as set forth on the first page of this Agreement. Lessee will not change its legal name in any respect without giving thirty (30) days prior written notice to Lessor.

**INDEMNIFICATION OF LESSOR:** To the extent permitted by law, Lessee shall indemnify and save Lessor harmless from and against all claims, losses, costs, expenses, liability and damages, including legal fees and expenses, arising out of (a) the use, maintenance, condition or management of, the Property by Lessee, (b) any breach or default on the part of Lessee in the performance of any of its obligations under this Agreement or any other agreement made and entered in connection with the lease of the Property, (c) any act of negligence of Lessee, or its successors or assigns, or any of its agents, contractors, servants, employees, or licensees with respect to the Property, (d) the acquisition, delivery, and acceptance of the Property, (e) the actions of any other party including, but not limited to, the ownership, operation, or use of the Property by Lessee, or (f) Lessor's exercise and performance of its powers and duties hereunder. No indemnification will be made for negligence or breach of duty under this Agreement by Lessor, its directors, officers, agents, employees, successors, or assignees. Lessee's obligations under this Section shall remain valid and binding notwithstanding termination or assignment of this Agreement.

**NONAPPROPRIATION:** If sufficient funds are not appropriated to make Lease Payments under this Agreement, this Agreement shall terminate and Lessee shall not be obligated to make Lease Payments under this Agreement beyond the then current fiscal year for which funds have been appropriated. Upon such an event, Lessee shall, no later than the end of the fiscal year for which Lease Payments have been appropriated, deliver possession of the Property to Lessor. If Lessee fails to deliver possession of the Property to Lessor, the termination shall nevertheless be effective but Lessee shall be responsible for the payment of damages in an amount equal to the portion of Lease Payments thereafter coming due that is attributable to the number of days after the termination during which the Lessee fails to deliver possession and for any other loss suffered by Lessor as a result of Lessee's failure to deliver possession as required. Lessee shall notify Lessor in writing within seven (7) days after the failure of the Lessee to appropriate funds sufficient for the payment of the Lease Payments, but failure to provide such notice shall not operate to extend the Lease Term or result in any liability to Lessee.

**ASSIGNMENT BY LESSEE:** Without Lessor's prior written consent, Lessee may not, by operation of law or otherwise, assign, transfer, pledge, hypothecate or otherwise dispose of the Property, this Agreement or any interest therein.

**ASSIGNMENT BY LESSOR:** Lessor may assign, sell or encumber all or any part of this Agreement, the Lease Payments and any other rights or interests of Lessor hereunder. Such assignees may include trust agents for the benefit of holders of certificates of participation.

**EVENTS OF DEFAULT:** Lessee shall be in default under this Agreement upon the occurrence of any of the following events or conditions ("Events of Default"), unless such Event of Default shall have been specifically waived by Lessor in writing: (a) Default by Lessee in payment of any Lease Payment or any other indebtedness or obligation now or hereafter owed by Lessee to Lessor under this Agreement or in the performance of any obligation, covenant or liability contained in this Agreement and the continuance of such default for ten (10) consecutive days after written notice thereof by Lessor to Lessee, or (b) any warranty, representation or statement made or furnished to Lessor by or on behalf of Lessee proves to have been false in any material respect when made or furnished, or (c) actual or attempted sale, lease or encumbrance of any of the Property, or the making of any levy, seizure or attachment thereof or thereon, or (d) dissolution, termination of existence, discontinuance of the Lessee, insolvency, business failure, failure to pay debts as they mature, or appointment of a receiver of any part of the property of, or assignment for the benefit of creditors by the Lessee, or the commencement of any proceedings under any bankruptcy, reorganization or arrangement laws by or against the Lessee.

**REMEDIES OF LESSOR:** Upon the occurrence of any Event of Default and at any time thereafter, Lessor may, without any further notice, exercise one or more of the following remedies as Lessor in its sole discretion shall elect: (a) terminate the Agreement and all of Lessee's rights hereunder as to any or all items of Property; (b) proceed by appropriate court action to personally, or by its agents, take possession from Lessee of any or all items of Property wherever found and for this purpose enter upon Lessee's premises where any item of Property is located and remove such item of Property free from all claims of any nature whatsoever by Lessee and Lessor may thereafter dispose of the Property; provided, however, that any proceeds from the disposition of the Property in excess of the sum required to (i) pay to Lessor an amount equal to the total unpaid principal component of Lease Payments under the Property Schedule, including principal component not otherwise due until future fiscal years, (ii) pay any other amounts then due under the Property Schedule and this Agreement, and (iii) pay Lessor's costs and expenses associated with the disposition of the Property and the Event of Default (including attorneys fees), shall be paid to Lessee or such other creditor of Lessee as may be entitled thereto, and further provided that no deficiency shall be allowed against Lessee; (c) proceed by appropriate court action or actions to enforce performance by Lessee of its obligations hereunder or to recover damages for the breach hereof or pursue any other remedy available to Lessor at law or in equity or otherwise; (d) declare all unpaid Lease Payments and other sums payable hereunder during the current fiscal year of the Lease Term to be immediately due and payable without any presentment, demand or protest and / or take any and all actions to which Lessor shall be entitled under applicable law. No right or remedy herein conferred upon or reserved to Lessor is exclusive of any right or remedy herein or at law or in equity or otherwise provided or permitted, but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time. Lessee agrees to pay to Lessor or reimburse Lessor for, in addition to all other amounts due hereunder, all of Lessor's costs of collection, including reasonable attorney fees, whether or not suit or action is filed thereon. Lessee and Lessor hereby irrevocably waive all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement.

**NOTICES:** All notices, and other communications provided for herein shall be deemed given when delivered or mailed by certified mail, postage prepaid, addressed to Lessor or Lessee at their respective addresses set forth herein or such other addresses as either of the parties hereto may designate in writing to the other from time to time for such purpose.

**AMENDMENTS AND WAIVERS:** This Agreement and the Property Schedule executed by Lessor and Lessee constitute the entire agreement between Lessor and Lessee with respect to the Property and this Agreement may not be amended except in writing signed by both parties.

**CONSTRUCTION:** This Agreement shall be governed by and construed in accordance with the laws of the Lessee's State. Titles of sections of this Agreement are for convenience only and shall not define or limit the terms or provisions hereof. Time is of the essence under this Agreement. This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns. This Agreement may be simultaneously executed in counterparts, each shall be an original with all being the same instrument.

## Property Schedule to Tax-Exempt Lease/Purchase Agreement

This **Property Schedule** is entered into pursuant to Tax-Exempt Lease/Purchase Agreement dated as of November 01, 2014 between Lessor and Lessee.

1. Interpretation. The terms and conditions of the Tax-Exempt Lease/Purchase Agreement (the "Agreement") are incorporated herein.
2. Property Description. The Property subject to this Property Schedule is described in Exhibit A, attached hereto.
3. Commencement Date. The Commencement Date for this Property Schedule is November 01, 2014.
4. Term and Payments. Lease Term and Lease Payments are per the table below. If the Payment Due Dates are not defined, they shall be defined as the 1st day of each annual period in the table below commencing with the Acceptance Date as stated in the Certificate of Acceptance, attached as Exhibit B, hereto. If the parties enter into an escrow agreement for the acquisition of the Property, then the escrow agreement shall be attached hereto. In lieu of the Acceptance Date for commencement of Lease Payments, the date of deposit of the Property Cost into the escrow by Lessor shall be used. Lessee shall have the option to prepay the Lease Payments due under this Property Schedule by paying the Concluding Balance shown in the table below, plus any other amounts due and owing at the time of prepayment, subject to per diem adjustment.
5. Expiration. Lessor, at its sole determination, may choose not to accept this Property Schedule if the fully executed, original Agreement (including this Property Schedule and all ancillary documents) are not received by Lessor at its place of business by December 01, 2014.
6. Property Cost. The total acquisition cost of the Property is \$80,720.51.
7. Opinion of Counsel. Lessee has provided the opinion of its legal counsel substantially in the form as attached as Exhibit C, hereto.
8. Lessee's Certificate. The Lessee's Certificate is attached as Exhibit D.
9. Effective Interest Rate. 3.66%.

Payment No.	Payment Due Date	Lease Payment	Principal Portion	Interest Portion	Concluding Balance (with Lease Payment on Due Date)
1	1-Dec-2014	\$27,981.68	\$27,735.32	\$246.36	\$54,574.74
2	1-Dec-2015	27,981.68	26,008.26	1,973.42	27,786.24
3	1-Dec-2016	27,981.68	26,976.93	1,004.75	0.00

IN WITNESS WHEREOF, Lessor and Lessee have caused this Property Schedule to be executed in their names by their duly authorized representatives.

<b>Lessor: Key Government Finance, Inc.</b>
By:
Name:
Title:

<b>Lessee: Webb County</b>
By:
Name:
Title:

Attest By:
Name:
Title:

EXHIBIT A

Property Description

Equipment as described in Insight Public Sector Quotation #215931369, dated August 7, 2014, (inserted below), referred to and incorporated herein by this reference.

<b>Material</b>	<b>Description</b>	<b>Quantity</b>
<b>WSGA-P-CP36-R</b>	<b>Websense Web Security Gateway Anywhere - Subscription license renewal ( 3 years ) - 1 seat - volume - 1001-2500 licenses - increments of 100 seats - Linux, Win Coverage Dates:      01-NOV-2014 - 01-NOV-2017</b>	<b>1,350</b>
OPEN MARKET		
<b>PRT-Y-CP36-R</b>	<b>36M RNWL PREMIUM SUPPORT TRITON 1001+ USERS Coverage Dates:      01-NOV-2014 - 01-NOV-2017</b>	<b>1</b>

U.S. COMMUNITIES IT PRODUCTS & SERVICES( # 4400001195 (RQ09-997736-42B))

**EXHIBIT B**  
**Certificate of Acceptance to Tax-Exempt Lease/Purchase Agreement**

---

This **Certificate of Acceptance** is pursuant to Tax-Exempt Lease/Purchase Agreement dated as of November 01, 2014 and the related Property Schedule, between Lessor and Lessee (the "Agreement").

1. **Property Acceptance.** Lessee hereby certifies and represents to Lessor that the Property referenced in the Agreement has been acquired, made, delivered, installed and accepted as of the date indicated below. Lessee has conducted such inspection and/or testing of the Property as it deems necessary and appropriate and hereby acknowledges that it accepts the Property for all purposes. Lessee will immediately begin making Lease Payments in accordance with the times and amounts specified herein. LESSOR MAKES NO (AND SHALL NOT BE DEEMED TO HAVE MADE ANY) WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN, OPERATION OR CONDITION OF, OR THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE PROPERTY, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE STATE OF TITLE THERETO OR ANY COMPONENT THEREOF, THE ABSENCE OF LATENT OR OTHER DEFECTS (WHETHER OR NOT DISCOVERABLE), AND LESSOR HEREBY DISCLAIMS THE SAME; IT BEING UNDERSTOOD THAT THE PROPERTY IS LEASED TO LESSEE "AS IS" ON THE DATE OF THIS AGREEMENT OR THE DATE OF DELIVERY, WHICHEVER IS LATER, AND ALL SUCH RISKS, IF ANY, ARE TO BE BORNE BY LESSEE.

IN WITNESS WHEREOF, Lessee has caused this Certificate of Acceptance to be executed by their duly authorized representative.

<b>Acceptance Date:</b>
<b>Lessee: Webb County</b>
By:
Name:
Title:



**Lessee's Counsel's Opinion**

**[To be provided on letterhead of Lessee's counsel.]**

[Address to Lessor and Lessee]

RE: Tax-Exempt Lease/Purchase Agreement dated as of November 01, 2014, and the related Property Schedule, between Key Government Finance, Inc. and Webb County.

Ladies and Gentlemen:

We have acted as special counsel to Webb County ("Lessee"), in connection with the Tax-Exempt Lease/Purchase Agreement, and Property Schedule dated as of November 01, 2014, between Webb County, as Lessee, and Key Government Finance, Inc. as Lessor, and any amendment or addendum thereto, if any (together, the "Agreement"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

Based upon the foregoing, we are of the opinion that, under existing law:

1. Lessee is a public body corporate and politic, duly organized and existing under the laws of the State, and has a substantial amount of one or more of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) the police power.

2. Lessee has all requisite power and authority to enter into the Agreement and to perform its obligations thereunder.

3. All proceedings of Lessee and its governing body relating to the authorization and approval of the Agreement, the execution thereof and the transactions contemplated thereby have been conducted in accordance with all applicable open meeting laws and all other applicable state and federal laws.

4. The Agreement has been duly executed and delivered by Lessee and constitute legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with the terms thereof, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other laws of equitable principles of general application, or of application to municipalities or political subdivisions such as the Lessee, affecting remedies or creditors' rights generally, and to the exercise of judicial discretion in appropriate cases.

5. As of the date hereof, based on such inquiry and investigation as we have deemed sufficient, no litigation is pending, (or, to our knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoin the delivery of the Agreement; (b) questioning the authority of Lessee to execute the Agreement, or the validity of the Agreement, or the payment of principal of or interest on, the Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Agreement; or (d) affecting the provisions made for the payment of or security for the Agreement.

This opinion may be relied upon by Lessor, its successors and assigns, and any other legal counsel who provides an opinion with respect to the Agreement and the Property Schedule.

Very truly yours,

By: \_\_\_\_\_

**DO NOT SIGN THIS FORM – MUST BE ON LETTERHEAD OF LESSEE'S COUNSEL**

EXHIBIT D

**Lessee's Certificate**

Re: Tax-Exempt Lease/Purchase Agreement dated November 01, 2014, together with the Property Schedule, between Key Government Finance, Inc. and Webb County.

The **undersigned attestor**, being the duly elected, qualified and acting \_\_\_\_\_ of the Webb County ("Lessee") do hereby certify, as of November 01, 2014, as follows:

1. Lessee did, at a meeting of the governing body of the Lessee held \_\_\_\_\_ by resolution or ordinance duly enacted, in accordance with all requirements of law, approve and authorize the execution and delivery of the above-referenced Tax-Exempt Lease/Purchase Agreement, together with the Property Schedule (the "Agreement") by the following named representative of Lessee, to wit:

NAME OF EXECUTING OFFICIAL (Official(s) who signed the documents.)	TITLE OF EXECUTING OFFICIAL	SIGNATURE OF EXECUTING OFFICIAL
And/Or		

2. The above-named representative of the Lessee held at the time of such authorization and holds at the present time the office set forth above.

3. The meeting(s) of the governing body of the Lessee at which the Agreement was approved and authorized to be executed was duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, and the enactment approving the Agreement and authorizing the execution thereof has not been altered or rescinded. All meetings of the governing body of Lessee relating to the authorization and delivery of the Agreement have been: (a) held within the geographic boundaries of the Lessee; (b) open to the public, allowing all people to attend; (c) conducted in accordance with internal procedures of the governing body; and (d) conducted in accordance with the charter of the Lessee, if any, and the laws of the State.

4. No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default or an Event of Nonappropriation (as such terms are defined in the Agreement) exists at the date hereof with respect to this Agreement.

5. The acquisition of all of the Property under the Agreement has been duly authorized by the governing body of Lessee.

6. Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Rental Payments scheduled to come due during the current budget year under the Agreement and to meet its other obligations for the current budget year and such funds have not been expended for other purposes.

7. As of the date hereof, no litigation is pending, (or, to my knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoin the delivery of the Agreement or of other agreements similar to the Agreement; (b) questioning the authority of Lessee to execute the Agreement, or the validity of the Agreement, or the payment of principal of or interest on, the Agreement; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Agreement; or (d) affecting the provisions made for the payment of or security for the Agreement.

Webb County
<b>Attest By:</b>
Title:
<b>SOMEONE OTHER THAN THE EXECUTING OFFICIAL(S) SHOWN ABOVE MUST SIGN HERE.</b>

EXHIBIT E

**Bank Qualification Certificate**

Key Government Finance, Inc.  
1000 South McCaslin Blvd.  
Superior, CO 80027

Re: Tax-Exempt Lease/Purchase Agreement dated November 01, 2014, together with the Property Schedule, between Key Government Finance, Inc. and Webb County.

Bank Qualified Tax-Exempt Obligation

(Check box for Bank Qualified designation)

Lessee hereby designates this Property Schedule as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Code. Lessee reasonably anticipates issuing tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds and including all tax-exempt obligations of subordinate entities of the Lessee) during the calendar year in which the Commencement Date of this Property Schedule falls, in an amount not exceeding \$10,000,000.00.

Non-Bank Qualified Tax-Exempt Obligation

(Check box for Non-Bank Qualified designation)

Lessee reasonably anticipates issuing more than \$10,000,000.00 in tax-exempt obligations in the calendar year of the Commencement Date as defined in the Property Schedule.

**\*\*Note: ONE of the boxes above MUST be checked.**

<b>Lessee: Webb County</b>
By:
Name:
Title:

**\*\*Please fill out this form and fax it to your insurance company\*\***

## Request for Certificate of Insurance

**TO:**

**Insurance Carrier:** (Name) \_\_\_\_\_  
(Address) \_\_\_\_\_  
(Address) \_\_\_\_\_  
(Contact Name) \_\_\_\_\_  
(Contact Phone) \_\_\_\_\_  
(Contact Fax) \_\_\_\_\_

**FROM:**

**Customer/Lessee:** Webb County  
1110 Washington, Suite 101  
Laredo, TX 78040  
Contact Name: Gus Ornelas  
Contact Phone: (956) 523-5893

**Webb County** is in the process of financing Websense SW with Key Government Finance, Inc.

Webb County requests that Key Government Finance, Inc. be listed as "Key Government Finance, Inc., their successors and assigns" and that it be named ADDITIONAL INSURED as to liability coverage and LOSS PAYEE as to property coverage. A copy of said certificate should be forwarded to Key Government Finance, Inc. as described below.

**NOTE:** Coverage is to include:

- (1) insurance against all risks of physical loss or damage to the Equipment;
- (2) commercial general liability insurance (including blanket contractual liability coverage and products liability coverage) for personal and bodily injury and property damage of not less than \$1,000,000; and
- (3) if applicable, automobile liability coverage of not less than \$3,000,000.

Key Government Finance, Inc. is to receive **30 days** prior written notice of cancellation or material change in coverage. **Qualifying language such as "endeavor to provide"; "but failure to do so shall impose no obligation or liability of any kind upon the insurer, its agents or representative" or the like will NOT be accepted and will delay funding.**

- 1.** Please **EMAIL or FAX** this completed information to:  
Key Government Finance, Inc.  
Tammy Kaler, Account Manager  
Phone Number: (720) 304-1202  
Email to tamura\_m\_kaler@key.com or Fax to 866-840-3016
- 2.** Please **MAIL** a Certificate of Insurance to:  
Key Government Finance, Inc.  
Attn: Collateral Services  
11030 Circle Point Rd., 2<sup>nd</sup> Floor  
Westminster, CO 80020
- 3.** Please **CONTACT** the Account Manager:
  - ✓ When sending this Certificate.
  - ✓ If this cannot be completed today.
  - ✓ If you have any questions.

# Notification of Tax Treatment

Key Government Finance, Inc. is required to collect and remit sales/use tax in the taxing jurisdiction where your equipment will be located. In the event we do not receive a valid sales tax exemption certificate prior to the date your lease commences, you will be charged sales/use tax.

Personal property tax returns will be filed as required by local law. In the event that any tax abatements or special exemptions are available on the equipment you will be leasing from us, please notify us as soon as possible and forward the related documentation to us. This will ensure that your leased equipment will be reported correctly.

Please indicate below if you feel that your lease is subject to tax or whether a valid exemption exists.

\_\_\_\_\_ I agree that my lease is subject to sales/use tax.

\_\_\_\_\_ I am exempt from sales/use tax and I have attached a completed exemption certificate to Key Government Finance, Inc.

\_\_\_\_\_ I have previously provided a completed exemption certificate to Key Government Finance, Inc. which is valid for this transaction.

\_\_\_\_\_ I am exempt from state tax but subject to local tax. I have attached a completed exemption certificate.

\_\_\_\_\_ I have a valid abatement or property tax exemption (documentation attached).

If applicable to the tax rates in your state, are you outside the city limits or in an unincorporated area? \_\_\_\_\_

Additional comments:

---

---

---

<b>Lessee: Webb County</b>
By:
Name:
Title:

## INVOICE INSTRUCTIONS

(The information you provide enables us to invoice you correctly.)

Webb County

**BILL TO ADDRESS:**

**BILLING CONTACT:**

First, M.I. and Last Name:

Title:

Phone Number:

Fax Number:

**PURCHASE ORDER NUMBER:**

Invoices require purchase order numbers: YES \_\_\_\_\_ NO \_\_\_\_\_

Purchase Order Number:

**FEDERAL TAX ID NUMBER:**

**EQUIPMENT LOCATION** (If different from Billing Address):

**ADDITIONAL INFORMATION NEEDED ON INVOICE:**