

PUBLIC PROPERTY FINANCE ACT CONTRACT

THIS Public Property Finance Act Contract **No.9973** (hereafter referred to as the "Finance Contract") is dated as of **June 13, 2022**, by and between **Government Capital Corporation**, a Texas corporation (herein referred to as "GCC"), and the **Webb County**, a political sub-division or agency of the State of Texas (hereinafter referred to as the "Issuer").

WITNESSETH: In furtherance of the providing by GCC of financing to the Issuer in connection with the Issuer's acquisition from various vendors that is more fully described on EXHIBIT A attached hereto (the "Property"), and in consideration of the mutual covenants and conditions hereinafter set forth, pursuant to the provisions of the Public Property Finance Act, Chapter 271, Subchapter A, Texas Local Government Code, as amended (the "Act"), the parties agree as follows:

1. Term and Payments. The Issuer hereby covenants and agrees to pay to the order of GCC and GCC's successors and assigns those principal and interest installment amounts in those sums set forth on EXHIBIT B attached hereto (the "Payments") on or before those dates per installment that are more fully set forth on EXHIBIT B (the "Payment Dates"). It is acknowledged and understood that GCC may assign its rights hereunder to a third party and that notice of said assignment shall be provided to the Issuer and that the Issuer, thereafter, shall look to and consider said assignee as the party to whom all of the Issuer's duties hereunder are owed. The obligation of the Issuer to make the Payments shall not be subject to set-off, counterclaim, or recoupment to the extent permitted by law. The interest is calculated on the basis of a 30/360-day year on the unpaid principal amounts from the Schedule Date of the EXHIBIT B.

2. Security, Levy of Taxes, Budgeting.

(a) During the term of this Finance Contract, the Issuer covenants that prior to adopting a budget for any ensuing fiscal year it shall place in its proposed budget for such ensuing fiscal year an amount necessary to pay the Finance Contract Payments for such ensuing fiscal year, and that the final budget for each fiscal year shall set aside and appropriate out of Ad Valorem Taxes and other revenues and funds lawfully available therefore an amount sufficient to pay the Finance Contract Payments. The Issuer hereby agrees to assess and collect, a continuing direct annual Ad Valorem Tax on all taxable property within the boundaries of the Issuer, within the limitations prescribed by law, at a rate from year to year sufficient, together with such other revenues and funds lawfully available to the Issuer for the payment of the Payments, to provide funds each year to pay the Payments, full allowance being made for delinquencies and costs of collection. Such taxes and such revenues and funds in an amount sufficient to make the Payments are pledged to GCC and GCC's successors and assigns for such purpose as the same shall become due and payable under this Finance Contract.

(b) The Issuer waives all rights of set-off, recoupment, counterclaim and abatement against GCC and GCC's successors and assigns with respect to the amounts due under this Finance Contract, and the Issuer's obligation to pay amounts due under this Finance Contract is absolute and unconditional and not subject to set-off, recoupment, counterclaim or abatement for any reason whatsoever.

3. Deposit into the Payment Fund.

(a) Upon this Finance Contract taking effect the Issuer shall establish a Payment Fund, which shall be maintained by the Issuer as long as any Payments are unpaid. The Issuer hereby pledges the Payment Fund for the exclusive purpose of securing the Payments and shall apply the funds therein to the payment of Payments as such payments come due.

(b) Each year in which Payments come due, the Issuer shall, not later than the day preceding any such due date, deposit into the Payment Fund, from the Issuer's Ad Valorem taxes or other lawfully available funds (within the limits prescribed by law) an amount sufficient to make such payment. To the extent permitted by law, the Issuer hereby pledges its Ad Valorem tax as security for this obligation. To the extent required by the Texas Constitution, the Issuer agrees during each year of the term of this Finance Contract to assess and collect annually a sufficient sum to pay the greater of (1) interest on the debt created by this Finance Contract and a sinking fund of at least two percent of the principal amount of such debt, or (2) the payments required by Exhibit B attached hereto.

(c) The Payment Fund shall be depleted at least once a year except for a carryover amount not to exceed one twelfth (1/12) of the amount of the Payments expected to come due in the following year.

4. Taxes. The Issuer agrees to directly pay all taxes, insurance and other costs of every nature associated with its ownership of the Property.

5. The Issuer's Covenants and Representations. The Issuer covenants and represents as follows:

(a) The Issuer will provide an opinion of its counsel to the effect that, it has full power and authority to enter into this Finance Contract which has been duly authorized, executed, and delivered by the Issuer and is a valid and binding obligation enforceable in accordance with its terms, and all requirements for execution, delivery and performance of this Finance Contract have been, or will be, complied with in a timely manner;

(b) All Payments hereunder for the current fiscal period have been duly authorized and will be paid when due;

(c) There are no pending or threatened lawsuits or administrative or other proceedings contesting the authority for, authorization of performance of, or expenditure of funds pursuant to this Finance Contract;

(d) The information supplied and statements made by the Issuer in any financial statement or current budget prior to or contemporaneously with this Finance Contract are true and correct;

(e) The Issuer has complied or will comply with all bidding/proposal laws applicable to this transaction and the purchase of the Property.

(f) No contract, rental agreement, lease-purchase agreement, payment agreement or contract for purchase under the Act to which the Issuer has been a party at any time during the past ten (10) years has been terminated by the Issuer as a result of insufficient funds being appropriated in any Fiscal Year. No event has occurred which would constitute an event of default under any debt, revenue bond or obligation which the Issuer has issued during the past ten (10) years.

(g) The Issuer will pay the Payments due by check, wire transfer, or ACH only.



GOVERNMENT CAPITAL
CORPORATION

Public Property Finance Act Contract for Cities & Counties

6. Use and Licenses. The Issuer shall pay and discharge all operating and other expenses of every nature associated with its use of the Property. The Issuer shall obtain, at its expense, all registrations, permits and licenses, if any, required by law for the installation and operation of the Property.

7. Maintenance. The Issuer agrees to be solely responsible for all maintenance and operating costs of every nature associated with its ownership of the Property and the Issuer acknowledges that GCC or GCC's successors or assigns shall have no responsibility for the payment of any such costs.

8. Damage to or Destruction of Property. The Issuer shall bear the entire risk of loss, damage, theft, or destruction of the Property from any and every cause whatsoever, and no loss, damage, destruction, or other event shall release the Issuer from the obligation to pay the full amount of the payments or from any other obligation under this Finance Contract.

9. No Warranty. EXCEPT FOR REPRESENTATIONS, WARRANTIES, AND SERVICE AGREEMENTS RELATING TO THE PROPERTY MADE OR ENTERED INTO BY THE MANUFACTURERS OR SUPPLIERS OF THE PROPERTY, IF ANY, ALL OF WHICH ARE HEREBY ASSIGNED TO THE ISSUER, GCC HAS MADE AND MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AND ASSUMES NO OBLIGATION WITH RESPECT TO THE TITLE, MERCHANTABILITY, CONDITION, QUALITY OR FITNESS OF THE PROPERTY DESCRIBED IN EXHIBIT A FOR ANY PARTICULAR PURPOSE OR THE CONFORMITY OF THE PROPERTY TO SPECIFICATION OR PURCHASE ORDER. All such risks shall be borne by the Issuer without in any way excusing it from its obligations under this Finance Contract, and GCC shall not be liable for any damages on account of such risks. All claims or actions on any warranty so assigned shall be made or prosecuted by the Issuer, at its sole expense, upon prior written notice to GCC. GCC or its assigns may, but shall have no obligation whatsoever to, participate in a claim on any warranty. Any recovery under such a warranty shall be made payable jointly to both parties.

10. Evidence of Indebtedness and Security Agreement.

(a) An executed copy of this Finance Contract shall evidence the indebtedness of the Issuer as provided herein and shall constitute a security agreement pursuant to applicable law, with GCC, its successors or assigns as the secured party. The grants, lien, pledge and security interest of GCC, its successors or assigns created herein shall become effective immediately upon and from the Schedule Date of the EXHIBIT B, and the same shall be continuously effective for so long as any Finance Contract Payments are outstanding.

(b) A fully executed copy of this Finance Contract and the proceedings authorizing same shall be kept at all times and shall be filed and recorded as a security agreement among the permanent records of the Issuer. Such records shall be open for inspection to any member of the general public and to any individual, firm, corporation, governmental entity or other person proposing to do or doing business with, or having or asserting claims against the Issuer, at all times during regular business hours.

(c) If, in the opinion of counsel to the Issuer or to GCC, its successors or assigns, applicable law ever requires filings additional to the filing pursuant to subsection (b) of this section in order to preserve and protect the priority of the grants, assignments, lien, pledge and security interest of GCC, its successors or assigns created herein as to all Payments, then the Issuer shall diligently and regularly make such filings to the extent required by law to accomplish such result.

11. Default and Remedies.

(a) Each of the following occurrences or events for the purpose of this Finance Contract is hereby declared to be an Event of Default:

(1) the failure to make payment of the Payment when the same becomes due and payable; or

(2) default in the performance or observance of any other covenant agreement or obligation of the Issuer, which default materially, adversely affects the rights of GCC or its successors or assigns, including, but not limited to, its prospect or ability to be repaid in accordance with this Finance Contract, and the continuation thereof for a period of 20 days after notice of such default is given by GCC or any successors or assigns of GCC to the Issuer.

(b) Remedies for Default.

(1) Upon the happening of any Event of Default, then and in every case GCC or its successors or assigns, or an authorized representative thereof, including, but not limited to, an attorney or trustee therefore, may proceed against the Issuer for the purpose of protecting and enforcing the rights of GCC or its successors or assigns under this Finance Contract, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of GCC or its successors or assigns or any combination of such remedies; provided that none of such parties shall have any right to declare the balance of the Finance Contract Payments to be immediately due and payable as a remedy because of the occurrence of an Event of Default.

(2) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy, and no delay or omission to exercise any right or power occurring upon any Event of Default shall impair any such right or power or be construed to be a waiver thereof and all such rights and powers may be exercised as often as may be deemed expedient.

(c) Remedies Not Exclusive.

(1) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under this Finance Contract or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Finance Contract, the right to accelerate the debt evidenced by this Finance Contract shall not be available as a remedy because of the occurrence of an Event of Default.

12. Assignment. Without GCC's prior written consent, the Issuer will not either **(a)** assign, transfer, pledge, hypothecate, grant any security interest in or otherwise dispose of this Finance Contract or the Property or any interest in this Finance Contract or the Property; or **(b)** sublet or lend the Property or permit it to be used by anyone other than the Issuer or the Issuer's employees and other authorized users. GCC may assign its rights, title and interest in and to this Finance Contract, and any other documents executed with respect to this Finance Contract and/or grant or assign a security interest in this Finance Contract, in whole or in part. Such successors and assigns of GCC shall have the right to further grant or assign a security interest in this Finance Contract, as well as the rights to Payments hereunder, in whole or in part, to any third party. No assignment or reassignment of GCC's rights, title or interest in this Finance Contract shall be effective with regard to the Issuer unless and until the Issuer shall have received a copy of the document by which the assignment or reassignment is made, disclosing the name and address of such assignee. The Issuer shall maintain written records of any assignments of the Finance Contract.

13. Personal Property. The Property is and shall at all times be and remain personal property, and will not be considered a fixture to any real property.

14. GCC's Right to Perform for The Issuer. If the Issuer fails to make any payment or perform or comply with any of its covenants or obligations hereunder, GCC or GCC's successors or assigns may, but shall not be required to, make such payment or perform or comply with such covenants and obligations on behalf of the Issuer, and the amount of any such payment and the expenses (including but not limited to reasonable attorneys' fees) incurred by GCC or GCC's successors or assigns in performing or complying with such covenants and obligations, as the case may be, together with interest thereon at the highest lawful rate under the State of Texas law, shall be payable by the Issuer upon demand.

15. Interest on Default. If the Issuer fails to pay any Payment specified herein within twenty (20) days after the due date thereof, the Issuer shall pay to GCC or any successor or assigns of GCC, interest on such delinquent payment at the highest rate allowed by Texas law.

16. Notices. Any notices to be given or to be served upon any party hereto in connection with this Finance Contract must be in writing and may be given by certified or registered mail, and shall be deemed to have been given and received forty-eight (48) hours after mailing. Such notice shall be given to the parties at their respective addresses designated on the signature page of this Finance Contract or at such other address as either party may hereafter designate.

17. Prepayment.

(a) The Issuer shall have the right, at its option, to prepay the Finance Act Contract in whole, on any payment date which has an amount shown in the "Early Redemption Value" column of Exhibit B attached hereto. "N/A" shall mean not prepayable. The Issuer shall not have the right to prepay the Finance Contract in part at any time.

(b) As condition precedent to the Issuer's right to make, and GCC's obligation to accept, any such prepayment, GCC shall have actually received notice at least thirty (30) days in advance of the Issuer's intent to exercise its option to prepay.

18. Continuing Disclosure. Specifically and without limitation, the Issuer agrees to provide audited financial statements, prepared by a certified public accountant not later than six (6) months after and as of the end of each fiscal year. Periodic financial statements shall include a combined balance sheet as of the end of each such period, and a combined statement of revenues, expenditures and changes in fund balances, from the beginning of the then fiscal year to the end of such period. These reports must be certified as correct by one of the Issuer's authorized agents. If the Issuer has subsidiaries, the financial statements required will be provided on a consolidated and consolidation basis.

19. Tax Exemption.

(a) The Issuer certifies that it does not reasonably anticipate more than \$10,000,000 of "tax-exempt obligations", including this Finance Contract will be issued by it and any subordinate entities during the 2022 calendar year. Further, the Issuer designates this Finance Contract as "qualified tax exempt obligations" under Section 265 (b) 3 of the Internal Revenue Code of 1986, as amended (the "Code") eligible for the exception contained in Section 265 (b) 3 (D) of the Code allowing for an exception to the general rule of the Code which provides for a total disallowance of a deduction for interest expense allocable to the carrying of tax exempt obligations.

(b) The Issuer hereby represents and covenants that the proceeds of this Finance Contract are needed at this time to provide funds for the Issuer's purchase of the property for which this Finance Contract was executed and delivered, as specified in this Finance Contract; that (i) final disbursement of the proceeds of this Finance Contract will occur within three years from the Schedule Date of the EXHIBIT B, (ii) substantial binding obligations to expend at least five (5) percent of the net proceeds will be incurred within six months after the Schedule Date of the EXHIBIT B and (iii) the acquisition of such property will proceed with due diligence to completion; and that, except for the Escrow Agreement, if applicable, and the Payment Fund, no other funds or accounts have been or will be established or pledged to the payment of this Finance Contract.

(c) The Issuer will not directly or indirectly take any action or omit to take any action, which action or omission would cause the Finance Contract to constitute a "private activity bond" within the meaning of Section 141(a) of the Code.

(d) The Issuer will not take any action or fail to take any action with respect to the investment of the proceeds of this Finance Contract or any other funds of the Issuer, including amounts received from the investment of any of the foregoing, that would cause this Finance Contract to be an "arbitrage bond" within the meaning of such section 148 of the Code.

(e) There are no other obligations of the Issuer which are sold at substantially the same time as the Finance Contract, sold pursuant to the same plan of financing with the Finance Contract and are reasonably expected to be paid from substantially the same source of funds as the Finance Contract.

(f) The Issuer will not take any action, or as the case may be, knowingly omit to take any action within its control that, if taken or omitted, as the case may be, would cause the Finance Contract to be treated as "federally guaranteed" obligations for purposes of Section 149(b) of the Code.

(g) The Issuer will take all necessary steps to comply with the requirement that certain amounts earned by the Issuer on the investment of the "gross proceeds" of the Finance Contract (within the meaning of Section 148(f)(6)(B) of the Code), if any, be rebated to the federal government. Specifically, the Issuer will (i) maintain records regarding the investment of the gross proceeds of the Finance Contract as may be required to calculate and substantiate the amount earned on the investment of the gross proceeds of the Finance Contract and retain such records for at least six years after the day on which the last outstanding Finance Contract is discharged, (ii) account for all gross proceeds under a reasonable, consistently applied method of accounting, including any specified method of accounting required by applicable regulations to be used for all or a portion of the gross proceeds, (iii) calculate, at such times as are required by applicable regulations, the amount earned from the investment of the gross proceeds of the Finance Contract and (iv) timely pay all amounts required to be rebated to the federal government. In addition, the Issuer will correct any errors within a reasonable amount of time thereafter, including payment to the federal government of any delinquent amounts owed to it, including interest thereon and penalty, if any, as may be necessary or appropriate to assure that interest on the Finance Contract is not includable in the gross income for federal income tax purposes.

(h) The Issuer will timely file with the Secretary of the Treasury of the United States the information required by Section 149(e) of the Code with respect to the Finance Contract on such form and in such place as the Secretary may prescribe. Notwithstanding any other provision of this Finance Contract, the Issuer's obligation under the covenants and provisions of this Section 19 shall survive the defeasance and discharge of this Finance Contract.

20. Miscellaneous.

(a) Time is of the essence. No covenant or obligations hereunder to be performed by the Issuer are waived, except by the written consent of GCC or its successors or assigns. GCC's or its successors or assigns' rights hereunder are cumulative and not alternative.

(b) This Finance Contract shall be construed in accordance with and governed by the state of Texas laws.

(c) This Finance Contract constitutes the entire agreement between the parties and shall not be modified, waived, discharged, terminated, amended, altered or changed in any respect except by a written document signed by both GCC and the Issuer.

(d) Any term or provision of this Finance Contract found to be prohibited by law or unenforceable shall not affect the legality the remainder of this Finance Contract.

(e) Use of the neuter gender herein is for purposes of convenience only and shall be deemed to mean and include the masculine or feminine gender whenever appropriate.

(f) The captions set forth herein are for convenience of reference only, and shall not define or limit any of the terms or provisions hereof.

(g) Issuer agrees to equitably adjust the payments payable under this Finance Contract if there is a determination by the IRS that the interest payable pursuant to this Finance Contract (as incorporated within the schedule of payments) is not excludable from income in accordance with the Internal Revenue Code of 1986, as amended, such as to make GCC and its assigns whole.

(h) Except as otherwise provided, this Finance Contract shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns, where permitted by this Finance Contract.

(i) Pursuant to Texas Government Code Chapter 2271, as amended, if this contract is valued at \$100,000 or more and if we have at least ten (10) full time employees, then we, by its execution of this Contract represent and warrant to the Issuer that GCC does not boycott Israel and will not boycott Israel during the term of this Contract.

(j) Pursuant to Texas Government Code Chapters 2274 and 809, if this Contract is valued at \$100,000 or more and if we have at least ten (10) full-time employees, then we represent and warrant to the Issuer that GCC does not boycott energy companies and will not boycott energy companies during the term of this Contract.

(k) Pursuant to Texas Government Code Chapter 2274, if this Contract is valued at \$100,000 or more and if we have at least ten (10) full-time employees, then we represent and warrant to the Issuer that GCC does not discriminate against firearm entities or firearm trade associations and will not discriminate against firearm entities or firearm trade associations during the term of this Contract.

(l) GCC verifies and affirms that it is not a foreign terrorist organization as identified on the list prepared and maintained by the Texas Comptroller of Public Accounts. If we have misrepresented its inclusion on the Comptroller's list such omission or misrepresentation will void this Contract.

(m) THIS CONTRACT IS EVIDENCE OF A PRIVATELY PLACED BANK LOAN, IS NOT IN REGISTERED FORM, AND MAY NOT BE TRANSFERRED TO BEARER. TRANSFERS OF THIS CONTRACT ARE NOT REGISTERED ON BOOKS MAINTAINED FOR THAT PURPOSE BY THE ISSUER.

IN WITNESS WHEREOF, the parties have executed this Finance Contract as of the ____ day of _____ in the year 2022.

Government Capital Corporation

Authorized Signature
345 Miron Dr.
Southlake, TX 76092

Witness Signature _____

Print Name _____

Print Title _____

The Issuer: Webb County

Tano E Tijerina, County Judge
1110 Washington Street, Ste. 101
Laredo, TX 78040

Witness Signature _____

Print Name _____

Print Title _____

EXHIBIT A

Public Property Finance Act Contract **No.9973** (THE "FINANCE CONTRACT")
By and Between
Government Capital Corporation and **the Issuer**, Webb County
Dated as of June 13, 2022

QTY DESCRIPTION

Personal Property

Property Cost: \$878,359.78

Payback Period: Five (5) Annual Payments

Police Equipment

Police Dept

31 Motorola APX 6500 Mobile Radios
18 Watch Guard In Car Video System

406th District Court:

1 Federal Signal Lighting Package

Constable Pct. 4

4 Federal Signal Lighting Package

Constable Pct. 3

2 Federal Signal Lighting Packages for Ford Explorer

Constable Pct. 2

1 Federal Signal Lighting Package for Ford Explorer (K9)
2 Federal Signal Lighting Packages for Ford Explorer
1 Federal Signal Lighting Packages for Ford F-150

Constable Pct. 1

2 Federal Signal Lighting Packages for Ford F-150 4x4
2 Federal Signal Lighting Packages for Ford F-150 4x2

Sheriff's Office

1 Federal Signal Lighting Package for Ford Expedition White
1 Federal Signal Lighting Package for Ford Expedition Black
1 Federal Signal Lighting Package for Ford Explorer (K9)
2 Federal Signal Lighting Package for Transport Van
2 Federal Signal Lighting Package for Ford Explorer
3 Federal Signal Lighting Package for Ford F-250
1 Federal Signal Lighting Package for Ford F-150
2 Federal Signal Lighting Package for Ford F-150 (stone gray)
2 Federal Signal Lighting Package for Ford F-150 (Silver Metallic)
1 Federal Signal Lighting Package for Ford Explorer (Silver)

PROPERTY LOCATION:
Webb County Commissioners Office
1000 Houston Street
Laredo, TX 78040

EXHIBIT B

>> SCHEDULE OF PAYMENTS & EARLY REDEMPTION VALUE <<

PUBLIC PROPERTY FINANCE ACT CONTRACT **No.9973** (THE "FINANCE CONTRACT")

BY AND BETWEEN

Government Capital Corporation and the **Issuer**, Webb County

Schedule Dated as of June 24, 2022

PMT NO.	PMT DATE MO. DAY YR	TOTAL PAYMENT	INTEREST PAID	PRINCIPAL PAID	EARLY REDEMPTION VALUE after pmt on this line
1	6/24/2023	\$196,268.09	\$33,491.86	\$162,776.23	N/A
2	6/24/2024	\$196,268.09	\$27,285.20	\$168,982.89	N/A
3	6/24/2025	\$196,268.09	\$20,841.88	\$175,426.21	\$375,825.33
4	6/24/2026	\$196,268.09	\$14,152.88	\$182,115.21	\$190,644.09
5	6/24/2027	\$196,268.09	\$7,208.85	\$189,059.24	\$0.00
Grand Totals		\$981,340.45	\$102,980.67	\$878,359.78	

Interest Rate: 3.813%

****This Schedule is subject to current Market Indexing if closing occurs more than 5 business days after the above Date****

INCUMBENCY CERTIFICATE

Public Property Finance Act Contract **No.9973** (THE "FINANCE CONTRACT")
By and Between
Government Capital Corporation and **the Issuer**, Webb County
Dated as of June 13, 2022

I, Margie R. Ibarra, do hereby certify that I am the duly elected or appointed and acting County Clerk, of Webb County, Issuer, a political subdivision or agency of the State of Texas, duly organized and existing under the laws of the State of Texas, that I or my designee have custody of the records of such entity, and that, as of the date hereof, the individual(s) named below are the duly elected or appointed officer(s) of such entity holding the office(s) set forth opposite their respective name(s). I further certify that (i) the signature(s) set opposite their respective name(s) and title(s) are their true and authentic signature(s), and (ii) such officers have the authority on behalf of such entity to enter into that certain Public Property Finance Act Contract No.9973, between Webb County (the "Issuer") and Government Capital Corporation ("GCC").

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Tano E. Tijerina	County Judge	_____

IN WITNESS WHEREOF, I have duly executed this certificate hereto this _____ day of _____, 2022.

By: _____
Margie R. Ibarra, County Clerk

[to be retyped on letterhead of the Issuer counsel]

Government Capital Corporation
345 Miron Dr
Southlake, TX 76092

RE: Public Property Finance Act Contract No.9973

I have examined the Public Property Finance Act Contract No.9973 (the "Finance Contract") between the Webb County (the "Issuer") and Government Capital Corporation ("GCC"). The Finance Contract provides financing for the purchase by the Webb County of certain Property as identified in the Finance Contract and provides that the Issuer shall finance the Property by making Payments as specified in the Public Property Finance Act Contract No.9973.

I have also examined other certificates and documents as I have deemed necessary and appropriate under the circumstances.

Based upon the foregoing examination, I am of the opinion that:

1. The Issuer is a political subdivision or agency of the State of Texas with the requisite power and authority to incur obligations, the interest on which is exempt from taxation by virtue of Section 103(a) of the Internal Revenue Code of 1986, as amended;
2. The execution, delivery and performance by the Issuer of the Finance Contract have been duly authorized by all necessary action on the part of the Issuer; and
3. The Finance Contract constitutes a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms.

The opinion expressed above is solely for the benefit of the Issuer, GCC and/or its subsequent successors or assigns.

Sincerely,

Attorney at Law

RESOLUTION

A RESOLUTION REGARDING A CONTRACT FOR THE PURPOSE OF FINANCING **"POLICE EQUIPMENT"**.

WHEREAS, Webb County (the "Issuer") desires to enter into that certain Finance Contract No.9973, by and between the Issuer and Government Capital Corporation ("GCC") for the purpose of financing "Police Equipment". The Issuer desires to designate this Finance Contract as a "qualified tax exempt obligation" of the Issuer for the purposes of Section 265 (b) (3) of the Internal Revenue Code of 1986, as amended.

NOW THEREFORE, BE IT RESOLVED BY WEBB COUNTY:

Section 1. That the Issuer will enter into a Finance Contract with GCC for the purpose of financing "Police Equipment".

Section 2. That the Finance Contract dated as of June 13, 2022, by and between the Webb County and GCC is designated by the Issuer as a "qualified tax exempt obligation" for the purposes of Section 265 (b) (3) of the Internal Revenue Code of 1986, as amended.

Section 3. That the Issuer appoints the County Judge or the County Judge’s designee, as the authorized signer of the Finance Contract Number 9973 dated as of June 13, 2022, by and between the Webb County and GCC as well as any other ancillary exhibit, certificate, or documentation needed for the Contract.

Section 4. The Issuer will use loan proceeds for reimbursement of expenditures related to the Property, within the meaning of Treasury Regulation § 1.150-2, as promulgated under the Internal Revenue Code of 1986, as amended.

This Resolution has been PASSED upon Motion made by Board Member _____, seconded by Board Member _____ by a vote of _____ Ayes to _____ Nays and is effective this _____, 2022.

Issuer: Webb County

Witness Signature

Tano E Tijerina
County Judge

Margie R Ibarra
County Clerk

▶ Under Internal Revenue Code section 149(e)

▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

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.

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name <u>Webb County</u>		2 Issuer's employer identification number (EIN) <u>74-6000158</u>	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) <u>Margie R. Ibarra, County Clerk</u>		3b Telephone number of other person shown on 3a <u>956-523-4125</u>	
4 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	5 Report number (For IRS Use Only)	
<u>1110 Washington Street</u>	<u>203</u>	<u>3</u>	
6 City, town, or post office, state, and ZIP code <u>Laredo, TX 78040</u>		7 Date of issue <u>June 24, 2022</u>	
8 Name of issue <u>Public Property Finance Act Contract No.9973</u>		9 CUSIP number <u>None</u>	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) <u>Tano E. Tijerina, County Judge</u>		10b Telephone number of officer or other employee shown on 10a <u>956-523-4125</u>	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.			
11 Education		11	
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 ▶ <u>Mobile Radios, Vehicle Lighting</u>		18	<u>\$878,359 78</u>
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 checked="" 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	<u>06/24/2027</u>	<u>\$ 878,359.78</u>	<u>\$ 878,359.78</u>	<u>3.0747 years</u>	<u>3.813 %</u>

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)					
22	Proceeds used for accrued interest		22	<u>N/A</u>	
23	Issue price of entire issue (enter amount from line 21, column (b))		23	<u>\$878,359 78</u>	
24	Proceeds used for bond issuance costs (including underwriters' discount)		24	<u>N/A</u>	
25	Proceeds used for credit enhancement		25	<u>N/A</u>	
26	Proceeds allocated to reasonably required reserve or replacement fund		26	<u>N/A</u>	
27	Proceeds used to refund prior tax-exempt bonds. Complete Part V		27	<u>N/A</u>	
28	Proceeds used to refund prior taxable bonds. Complete Part V		28	<u>N/A</u>	
29	Total (add lines 24 through 28)		29	<u>N/A</u>	
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)		30	<u>\$878,359 78</u>	

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	▶	<u>N/A</u> years
32	Enter the remaining weighted average maturity of the taxable bonds to be refunded	▶	<u>N/A</u> years
33	Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY)	▶	<u>N/A</u>
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 <input type="checkbox"/> and enter the following information:		
b	Enter the date of the master pool bond ▶ (MM/DD/YYYY) _____		
c	Enter the EIN of the issuer of the master pool bond ▶ _____		
d	Enter the name of the issuer of the master pool bond ▶ _____		
39	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box		<input checked="" type="checkbox"/>
40	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box		<input type="checkbox"/>
41a	If the issuer has identified a hedge, check here <input type="checkbox"/> 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		<input type="checkbox"/>
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		<input type="checkbox"/>
44	If the issuer has established written procedures to monitor the requirements of section 148, check box		<input type="checkbox"/>
45a	If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> 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	▶ <u>Tano E. Tijerina, County Judge</u> Type or print name and title	
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name ▶	Firm's EIN ▶		
	Firm's address ▶	Phone no. _____		

WIRE TRANSFER FORM

*** FINANCIAL INSTITUTION INFORMATION ***

Bank's Name: _____

Bank's Address: _____

Bank's Phone#: _____

Bank's Fed Routing#: _____

(Please confirm with bank since it may be different from routing number on deposit slip)

Bank Account Name: _____

Bank Account #: _____

Ref (if needed): _____

Please note that while there will not be a charge for our outgoing wire, your Bank may charge a fee for the incoming wire

I hereby authorize Government Capital Corporation to transfer any monies due via wire transfer directly to our bank.

Signature: _____

Name: _____

Title: _____

Date: _____