

**LEASE-PURCHASE AGREEMENT 98998944-1**  
**("Turn-In" Lease for Pierce Equipment)**  
**Dated as of June 28, 2022**

Lessee Name: Webb County, a political subdivision of the State of Texas

Lessee Street Address: 1000 Houston Street, 3<sup>rd</sup> Floor, Laredo, TX 78040

1. **EQUIPMENT LEASE.** Subject to the terms of this Lease, Lessee leases the Equipment from PNC Bank, National Association ("Lessor"). This Lease's term ("Lease Term") begins on the date Lessor designates below (the "Acceptance Date") and, unless terminated early as expressly provided herein, continues until Lessee fully pays and performs all of its obligations hereunder.

2. **CERTAIN DEFINITIONS.** All terms defined herein apply equally to both the singular and plural form of such terms. (a) "Equipment" means the property described in the Schedule, together with all attachments, additions, accessions, improvements, replacements and substitutions thereto. (b) "Lien" means any security interest, lien, mortgage, encumbrance, attachment levy, other judicial process or claim of any nature whatsoever by or of any person. (c) "Lease" means this Lease-Purchase Agreement, together with the Schedule and the exhibits, schedules and addenda attached hereto and thereto and made a part hereof. (d) "Schedule" means the Schedule A-1 executed by Lessee and Lessor that is attached to this Lease.

3. **RENT PAYMENTS.** Lessee will pay to Lessor the rent payments as set forth in the Schedule ("Rent Payments"). Part of each Rent Payment represents the payment of interest as set forth in the Schedule. Lessee's obligation to pay Rent Payments, including interest therein, accrues as of the Accrual Date stated in the Schedule. Rent Payments will be paid in U.S. dollars, without notice or demand, at Lessor's office (or such other place as Lessor designates from time to time in writing). **EXCEPT AS SPECIFICALLY PROVIDED IN SECTION 5, THE OBLIGATION TO PAY RENT PAYMENTS IS ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS AND IS NOT SUBJECT TO ANY SETOFF, DEFENSE, COUNTERCLAIM, ABATEMENT OR RECOUPMENT FOR ANY REASON.** If Lessor receives any payment from Lessee after the due date, Lessee shall pay Lessor on demand as a late charge 5% of such overdue amount, limited, however, to the maximum legal amount.

4. **ACCEPTANCE; FUNDING CONDITIONS.** (a) **As between Lessee and Lessor, Lessee agrees that (i) Lessee has received and inspected all Equipment; (ii) all Equipment is in good working order and complies with all purchase orders, contracts and specifications; (iii) Lessee accepts all Equipment for purposes of this Lease "as-is, where-is"; and (iv) Lessee waives any right to revoke its acceptance.** (b) Lessor has no obligation to pay the Purchase Price of the Equipment as stated in the Schedule (the "Purchase Price") unless all reasonable conditions established by Lessor ("Funding Conditions") have been satisfied, including, without limitation, the following: (i) Lessee has signed and delivered the Schedule; (ii) no Event of Default shall have occurred and be continuing; (iii) no material adverse change shall have occurred in the Internal Revenue Code of 1986, as amended, and the related regulations and rulings (collectively, the "Code"); (iv) no material adverse change shall have occurred in the Lessee's financial condition or any supplier of the Equipment; (v) all representations of Lessee herein remain true, accurate and complete; and (vi) Lessor has received all of the following documents, which shall be reasonably satisfactory, in form and substance, to Lessor: (A) evidence of required insurance coverage; (B) an opinion of Lessee's counsel; (C) reasonably detailed invoices for the Equipment; (D) Uniform Commercial Code (UCC) financing statements; (E) copies of resolutions by Lessee's governing body duly authorizing this Lease and incumbency certificates for the person(s) who have signed this Lease; (F) such documents and certificates relating to the tax-exempt interest payable hereunder (including, without limitation, IRS Form 8038G or 8038GC) as Lessor may request; and (G) such other documents and information previously identified by Lessor or otherwise reasonably requested by Lessor. Lessee authorizes Pierce Manufacturing Inc. ("Manufacturer") or its dealer to complete the manufacturer's statement of origin (MSO) and/or the certificate of title (COT) relating to the Equipment with Lessor's first sole Lien noted thereon and to deliver such MSO or COT directly to Lessor.

5. **TERMINATION FOR NON-APPROPRIATION.** (a) Lessee represents and warrants: that it has appropriated and budgeted the funds to make all Rent Payments for the remainder of the fiscal year in which the

Lease Term commences and that it currently intends to make Rent Payments for the full Lease Term if funds are appropriated for the Rent Payments in each succeeding fiscal year. Without contractually committing itself to do so, Lessee reasonably believes that moneys in an amount sufficient to make all Rent Payments can, and will lawfully be, appropriated therefor. Lessee directs the person in charge of its budget requests to include the Rent Payments payable during each fiscal year in the budget request presented to Lessee's governing body for such fiscal year; provided, that Lessee's governing body retains authority to approve or reject any such budget request. All Rent Payments shall be payable out of the general funds of Lessee or out of other legally appropriated funds. The Lease will not be a general obligation of Lessee and shall not constitute a pledge of either Lessee's full faith and credit or of Lessee's taxing power. (b) If Lessee's governing body fails to appropriate sufficient funds in any fiscal year for Rent Payments or other payments due hereunder and if other funds are not legally appropriated for such payments, a "Non-Appropriation Event" will be deemed to have occurred. If a Non-Appropriation Event occurs, then: (i) Lessee shall give Lessor immediate notice of such Non-Appropriation Event; (ii) on the Return Date, Lessee shall return to Lessor all of the Equipment, at Lessee's sole expense, in accordance with Section 19; and (c) the Lease shall terminate on the Return Date without penalty to Lessee, provided, that Lessee shall pay all Rent Payments and other amounts payable under the Lease for which funds shall have been appropriated, provided further, that Lessee shall pay month-to-month rent at the rate set forth in the Schedule for each month that Lessee fails to so return the Equipment. "Return Date" means the last day of the fiscal year for which appropriations were made for the Rent Payments due hereunder.

6. **NO WARRANTY BY LESSOR.** Lessor hereby assigns to Lessee any assignable manufacturer's or supplier's warranties. Lessor authorizes Lessee to obtain the customary services furnished in connection with such warranties at Lessee's sole expense. **The Equipment is sold "AS IS". LESSEE ACKNOWLEDGES THAT LESSOR DID NOT MANUFACTURE THE EQUIPMENT. LESSOR DOES NOT REPRESENT THE MANUFACTURER, OWNER, OR DEALER, AND LESSEE SELECTED THE EQUIPMENT BASED UPON LESSEE'S OWN JUDGMENT. LESSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE OR AS TO THE EQUIPMENT'S VALUE, DESIGN, CONDITION, USE, CAPACITY OR DURABILITY. LESSEE AGREES THAT REGARDLESS OF CAUSE, LESSOR IS NOT RESPONSIBLE FOR, AND LESSEE WILL NOT MAKE ANY CLAIM AGAINST LESSOR FOR, ANY DAMAGES, WHETHER CONSEQUENTIAL, DIRECT, SPECIAL OR INDIRECT INCURRED BY LESSEE IN CONNECTION WITH THE EQUIPMENT OR THIS LEASE-PURCHASE AGREEMENT. NEITHER THE MANUFACTURER, THE DEALER, NOR ANY SALESPERSON, EMPLOYEE OR AGENT OF THE DEALER OR MANUFACTURER, IS LESSOR'S AGENT OR HAS ANY AUTHORITY TO SPEAK FOR LESSOR OR TO BIND LESSOR IN ANY WAY.** Lessee agrees that (a) all Equipment will have been purchased in accordance with Lessee's specifications from manufacturers and suppliers selected by Lessee, (b) Lessor is not a manufacturer or dealer of any Equipment and has no liability for the delivery or installation of any Equipment, (c) Lessor assumes no obligation with respect to any manufacturer's or supplier's product warranties or guaranties, (d) no manufacturer or supplier or any representative of either is an agent of Lessor, (e) any warranty, representation, or agreement made by any manufacturer or supplier or any representative thereof shall not be binding upon Lessor, and (f) Lessor is paying the Purchase Price solely in connection with this Lease.

7. **TITLE; SECURITY INTEREST.** (a) Title to the Equipment is vested in Lessee, subject to Lessor's security interest therein and all of Lessor's other rights hereunder including, without limitation, Sections 5, 18, and 19. (b) As collateral security for the Secured Obligations, Lessee hereby grants to Lessor a first priority security interest in the Equipment (now existing or hereafter acquired) and any and all proceeds thereof. Lessee agrees to execute and deliver to Lessor all necessary documents to evidence and perfect such security interest, including, without limitation, UCC financing statements. (c) "Secured Obligations" means Lessee's obligations to pay all Rent Payments and all other amounts due and payable hereunder and to perform and observe all covenants, agreements and conditions (direct or indirect, absolute or contingent, due or to become due, or existing or hereafter arising) of Lessee hereunder.

(b) As collateral security for the Secured Obligations, Lessee hereby grants to Lessor a first priority security interest in the Equipment (now existing or hereafter acquired) and any and all proceeds thereof. Lessee agrees to execute and deliver to Lessor all necessary documents to evidence and perfect such security interest, including, without limitation, UCC financing statements. (c) "Secured Obligations" means Lessee's obligations to pay all Rent Payments and all other amounts due and payable hereunder and to perform and observe all covenants, agreements and conditions (direct or indirect, absolute or contingent, due or to become due, or existing or hereafter arising) of Lessee hereunder.

8. **MAINTENANCE; OPERATION.** At its sole expense, Lessee will: (a) repair and maintain the Equipment in good condition and working order in accordance with manufacturer's instructions; (b) supply and install all replacement parts or other devices when required to so maintain the Equipment or when required by applicable law or regulation, which parts or devices shall automatically become part of the Equipment; (c) use all Equipment in a careful manner in the normal course of its operations and only for the purposes for which it was designed in accordance with the manufacturer's warranty requirements; and (d) comply with all laws and regulations relating to the Equipment. Lessor will not provide any maintenance or other service for any Equipment. Lessee will not make any alterations, additions or improvements ("Improvements") to any Equipment without Lessor's prior written consent unless the Improvements may be readily removed without damage to the operation, value or utility of the Equipment, but any such Improvements not removed prior to this Lease's termination shall automatically become part of the Equipment.

9. **LOCATION; INSPECTION.** The Equipment will not be removed from, or if the Equipment is rolling stock, its permanent base will not be changed from, the location specified in the Schedule (the "Location") without Lessor's prior written consent which will not be unreasonably withheld. The Equipment is, and will remain, personal property and will not be deemed to be affixed or attached to real estate or any building. Upon reasonable notice, Lessor may enter the Location or elsewhere during normal business hours to inspect the Equipment.

10. **LIENS; SUBLEASES; TAXES.** (a) Lessee will keep all Equipment free and clear of all Liens except those Liens created hereunder. Lessee shall not sublet or lend any Equipment or permit it to be used by anyone other than Lessee or Lessee's employees. (b) Lessee will pay when due all Taxes which may now or hereafter be imposed upon any Equipment or its ownership, leasing, rental, sale, purchase, possession or use, upon the Lease or upon any Rent Payments or any other payments due under the Lease. If Lessee fails to pay such Taxes when due, Lessor has the right, but not the obligation, to pay such Taxes. If Lessor pays any such Taxes, Lessee will, upon demand, immediately reimburse Lessor therefor. "Taxes" means present and future taxes, levies, duties, assessments or other governmental charges that are not based on the net income of Lessor, whether they are assessed to or payable by Lessee or Lessor, including, without limitation (i) sales, use, excise, licensing, registration, titling, gross receipts, stamp and personal property taxes, and (ii) interest, penalties or fines on any of the foregoing.

11. **RISK OF LOSS.** (a) Lessee bears the entire risk of loss, theft, damage or destruction of the Equipment in whole or in part from any reason whatsoever ("Casualty Loss"). No Casualty Loss to any Equipment shall relieve Lessee from the obligation to make any Rent Payments or to perform any other obligation hereunder. Proceeds of any insurance recovery will be applied to Lessee's obligations under this Section 11. If a Casualty Loss occurs to any Equipment, Lessee shall immediately notify Lessor, and Lessee shall, unless otherwise directed by Lessor, immediately repair the same. (b) If Lessor determines that any item of Equipment has suffered a Casualty Loss beyond repair ("Lost Equipment"), Lessee shall either (i) immediately replace the Lost Equipment with similar equipment in good repair, condition and working order free and clear of any Liens (except Lessor's Liens), in which event such replacement equipment shall automatically be Equipment hereunder, and deliver to Lessor true and complete copies of the invoice or bill of sale covering the replacement equipment; or (ii) on the earlier of 60 days after the Casualty Loss or the next scheduled Rent Payment date, pay Lessor (A) all amounts owed by Lessee hereunder, including the Rent Payments due on or accrued through such date plus (B) an amount equal to the Termination Value as of the Rent Payment date (or if the Casualty Loss payment is due between Rent Payment dates, then as of the Rent Payment date preceding the date that the Casualty Loss payment is due) set forth in the Schedule. If Lessee is making such payment with respect to less than all of the Equipment, Lessor will provide Lessee with the pro rata amount of the Rent Payment and Termination Value to be paid by Lessee with respect to the Lost Equipment and a revised Schedule. (c) To the extent not prohibited by State law, Lessee shall bear the risk of loss for, shall pay directly, and shall defend against any and all claims, liabilities, proceedings, actions, expenses (including reasonable attorney's fees), damages or losses arising under or related to any Equipment, including, but not limited to, the possession, ownership, lease, use or operation thereof. These obligations of Lessee shall survive any expiration or termination of this Lease. Lessee shall not bear the risk of loss of, nor pay for, any claims, liabilities, proceedings, actions, expenses (including attorney's fees), damages or losses which arise directly from events occurring after any Equipment has been returned by Lessee to Lessor in accordance with the terms hereof or which arise directly from Lessor's gross negligence or willful misconduct.

12. **INSURANCE.** (a) Lessee at its sole expense shall at all times keep all Equipment insured against all Casualty Losses in an amount not less than the Equipment's Termination Value. Proceeds of insurance covering damage or loss of any Equipment shall be payable to Lessor as loss payee. (b) The Total Sale Price as set forth on the Schedule does not include the payment of any premium for any liability insurance coverage for bodily injury

and/or property damage caused to others and no such insurance will be purchased by Lessor. (c) Lessee at its sole expense shall at all times carry public liability and third party property damage insurance in amounts reasonably satisfactory to Lessor protecting Lessee and Lessor from liabilities for injuries to persons and damage to property of others relating in any way to any Equipment. Proceeds of such public liability or property insurance shall be payable first to Lessor as additional insured to the extent of its liability and then to Lessee. All insurers will be reasonably satisfactory to Lessor. Lessee will promptly deliver to Lessor satisfactory evidence of required insurance coverage and all renewals and replacements thereof. Each insurance policy will require that the insurer give Lessor at least 30 days prior written notice of any such cancellation of such policy and will require that Lessor's interests remain insured regardless of any act, error, misrepresentation, omission or neglect of Lessee. The insurance maintained by Lessee shall be primary without any right of contribution from insurance which may be maintained by Lessor.

13. **PURCHASE OPTION.** Upon 60 days prior written notice by Lessee to Lessor and if no Event of Default then exists, Lessee may purchase the Equipment on any Rent Payment due date by paying to Lessor all Rent Payments then due (including accrued interest, if any) plus the Termination Value amount set forth on the Schedule for such date. Upon satisfaction by Lessee of the foregoing purchase conditions, Lessor shall release its Lien on the Equipment and Lessee shall retain its title to such Equipment "AS-IS, WHERE-IS", without representation or warranty by Lessor, express or implied, except for a representation that the Equipment is free and clear of any Liens created by Lessor.

14. **REPRESENTATIONS AND WARRANTIES.** Lessee represents and warrants that: (a) Lessee has full power, authority and legal right to execute and deliver the Lease and to perform its obligations under the Lease, and all such actions have been duly authorized by appropriate findings and actions of Lessee's governing body; (b) the Lease has been duly executed and delivered by Lessee and is a legal, valid and binding obligation of Lessee, enforceable in accordance with its terms; (c) the Lease is authorized under, and the authorization, execution and delivery of the Lease complies with, all applicable federal, state and local laws and regulations (including, but not limited to, all open meeting, public bidding and property acquisition laws) and all applicable judgments and court orders; (d) the execution, delivery and performance by Lessee of its obligations hereunder will not result in a breach or violation of, nor constitute a default under, any agreement, lease or other instrument to which Lessee is a party or by which Lessee's properties may be bound or affected; (e) there is no pending, or to the best of Lessee's knowledge threatened, litigation of any nature which may have a material adverse effect on Lessee's ability to perform its obligations under the Lease; and (f) Lessee is a state, or a political subdivision thereof, as referred to in Section 103 of the Code, and Lessee's obligation hereunder constitutes an enforceable obligation issued on behalf of a state or a political subdivision thereof.

15. **TAX COVENANTS.** Lessee covenants that it: (a) shall comply with all of the requirements of Sections 149(a) and 149(e) of the Code, as they may be amended from time to time, including, but not limited to, executing and filing Internal Revenue Form 8038G or 8038GC, as the case may be, and any other information statements reasonably requested by Lessor; (b) shall not do (or cause to be done) any act which will cause, or by omission of any act allow, the Lease to be an "arbitrage bond" within the meaning of Section 148(a) of the Code or the Lease to be a "private activity bond" within the meaning of Section 141(a) of the Code; and (c) shall not do (or cause to be done) any act which will cause, or by omission of any act allow, the interest portion of any Rent Payments to be or become includable in gross income for federal income taxation purposes under the Code. (d) If Lessor either (i) receives notice, in any form, from the IRS; or (ii) reasonably determines, based on an opinion of independent tax counsel selected by Lessor and approved by Lessee, which approval Lessee shall not unreasonably withhold, that Lessor may not exclude the interest component of any Rent Payment under a Tax-Exempt Lease from federal gross income because Lessee breached a covenant contained herein, then Lessee shall pay to Lessor, within thirty (30) days after Lessor notifies Lessee of such determination, the amount which, with respect to Rent Payments previously paid and taking into account all penalties, fines, interest and additions to tax (including all federal, state and local taxes imposed on the interest component of all Rent Payments under such Tax-Exempt Lease due through the date of such event) that are imposed on Lessor as a result of the loss of the exclusion, will restore to Lessor the same after-tax yield on the transaction evidenced by such Tax-Exempt Lease (assuming tax at the highest marginal corporate tax rate) that it would have realized had the exclusion not been lost. Additionally, Lessee agrees that upon the occurrence of such an event with respect to a Tax-Exempt Lease, it shall pay additional rent to Lessor on each succeeding Rent Payment due date in such amount as will maintain such after-tax yield to Lessor. Lessor's determination of the amount necessary to maintain its after-tax yield as provided in this subsection (b) shall be conclusive (absent manifest error). Notwithstanding anything in a Tax-Exempt Lease to the contrary, any payment that Lessee is required to make pursuant to this subsection (b) shall be made only from Legally Available Funds.

16. **ASSIGNMENT.** (a) Lessee shall not assign, transfer, pledge, hypothecate, nor grant any Lien on, nor otherwise dispose of, this Lease or any Equipment or any interest in this Lease or Equipment. (b) Lessor may assign its rights, title and interest in and to this Lease or any Equipment, and/or may grant or assign a security interest in this Lease and its Equipment, in whole or in part, to any party at any time. Any such assignee or lien holder (an "Assignee") shall have all of the rights of Lessor under the applicable Lease. **LESSEE WILL NOT ASSERT AGAINST ANY ASSIGNEE ANY CLAIMS, ABATEMENTS, SETOFFS, COUNTERCLAIMS, RECOURPMENT OR ANY OTHER SIMILAR DEFENSES WHICH LESSEE MAY HAVE AGAINST LESSOR.** Unless Lessee agrees otherwise in writing, any such assignment transaction shall not release Lessor from any of Lessor's obligations under this Lease. An assignment or reassignment of any of Lessor's rights, title or interest in the Lease or its Equipment will be enforceable against Lessee only after Lessee receives a written notice of assignment which discloses the name and address of each such Assignee. For purposes of Section 149 of the Code, Lessee hereby appoints Lessor (or Lessor's designee) as the book entry and registration agent to keep a complete record of any and all assignments of this Lease. Lessee agrees to acknowledge in writing any such assignments if so requested. (c) Subject to the foregoing, this Lease inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

17. **EVENTS OF DEFAULT.** "Event of Default" means the occurrence of any one or more of the following: (a) Lessee fails to make any Rent Payment (or any other payment) as it becomes due hereunder, and any such failure continues for 10 days after the due date thereof; (b) Lessee fails to perform any of its obligations under Sections 10(a), 12, or 16(a); (c) Lessee fails to perform or observe any other condition or agreement to be performed or observed by it hereunder and such failure is not cured within 30 days after receipt of Lessor's written notice thereof; (d) any statement, representation or warranty made by Lessee herein or in any writing delivered by Lessee in connection therewith proves at any time to have been false or misleading in any material respect as of the time when made; (e) Lessee applies for, or consents to, the appointment of a receiver, trustee, conservator or liquidator of Lessee or of all or a substantial part of its assets, or a petition for relief is filed by Lessee under any federal or state bankruptcy, insolvency or similar law, or a petition in a proceeding under any federal or state bankruptcy, insolvency or similar law is filed against Lessee and is not dismissed within 60 days thereafter; or (f) Lessee shall be in default under any other lease or under any other financing agreement executed at any time with Lessor.

18. **REMEDIES.** (a) If any Event of Default occurs, Lessor may, at its option, do one or more of the following: (i) require Lessee to pay all amounts then currently due hereunder and all remaining Rent Payments to become due hereunder, together with interest on such amounts at the rate of 12% per annum (but not to exceed the highest rate permitted by applicable law) from the date of Lessor's demand for such payment; (ii) require Lessee to promptly return all Equipment to Lessor in the manner set forth in Section 19, (iii) enter upon the premises where any Equipment is located and repossess such Equipment without demand or notice, without any court order or other process of law and without liability for any damage occasioned by such repossession; (iv) sell, lease or otherwise dispose of any Equipment, in whole or in part, in one or more public or private transactions, and if Lessor so disposes of any Equipment, Lessor will retain the entire proceeds of such disposition free of any claims of Lessee, provided, that if the net proceeds of the disposition of all the Equipment exceeds the applicable Termination Value plus the amounts payable by Lessee under this Section's clauses (a)(i) and (a)(vii), then such excess amount shall be remitted by Lessor to Lessee; (v) terminate, cancel or rescind this Lease as to any and all Equipment; (vi) exercise any other right, remedy or privilege which may be available to Lessor under applicable law or, by appropriate court action at law or in equity, Lessor may enforce any of Lessee's obligations under the Lease; and/or (vii) require Lessee to pay all of Lessor's out-of-pocket costs and expenses incurred as a result (directly or indirectly) of the Event of Default and/or of Lessor's actions under this Section, including, without limitation, any attorney fees and expenses and any costs related to the repossession, safekeeping, storage, repair, reconditioning or disposition of any Equipment. (b) None of the above remedies is exclusive, but each is cumulative and in addition to any other available remedy. Exercise of one or more remedies will not preclude its exercise of any other remedy. No delay or failure in exercising any remedy hereunder shall operate as a waiver thereof nor as an acquiescence in any default. No single or partial exercise of any remedy precludes any other exercise thereof or the exercise of any other remedy.

19. **EQUIPMENT RETURN.** If Lessor is entitled to obtain possession of any Equipment under the provisions of this Lease or if Lessee is obligated at any time to return any Equipment, then (a) title to the Equipment shall vest in Lessor immediately upon Lessor's notice thereof to Lessee, and (b) Lessee shall, at its sole expense and risk, immediately de-install, disassemble, pack, crate, insure and return the Equipment to Lessor (all in accordance with applicable industry standards) at any location in the continental United States selected by Lessor. The

Equipment shall be in the same condition as when Lessee received it (except reasonable wear, tear and depreciation resulting from normal and proper use); shall be in good operating order and maintenance as required hereunder; shall be free and clear of any Liens (except Lessor's Lien); and shall comply with all applicable laws and regulations. Until the Equipment is returned as required above, this Lease shall remain in full force including, without limitation, the obligations to pay Rent Payments and to insure the Equipment. Lessee will execute and deliver to Lessor all documents reasonably requested by Lessor to evidence the transfer of the Equipment's legal and beneficial title to Lessor and to evidence the termination of Lessee's interest in the Equipment.

**20. LAW GOVERNING.** Each lease shall be governed by the laws of the state of the lessee (The "State").

**21. FINANCIAL INFORMATION; INDEMNITY; POWER OF ATTORNEY.** As soon as they are available after their completion in each fiscal year of Lessee during the Lease Term, Lessee will deliver to Lessor upon Lessor's request the publicly available annual financial information of Lessee. Lessee shall indemnify, hold harmless and, if Lessor requests, defend Lessor and its shareholders, affiliates, employees, dealers and agents against all Claims directly or indirectly arising out of or connected with (a) the manufacture, installation, use, lease, possession or delivery of the Equipment, (b) any defects in the Equipment, any wrongful act or omission of Lessee, or its employees and agents, or (c) any claims of alleged breach by Lessee of this Lease-Purchase Agreement or any related document. "Claims" means all losses, liabilities, damages, penalties, expenses (including attorney's fees and costs), claims, actions and suits, whether in contract, tort or otherwise. Lessee hereby appoints Lessor its true and lawful attorney-in-fact (with full power of substitution) to (i) prepare any instrument, certificate of title or financing statement covering the Equipment or otherwise protecting Lessor's interest in the Equipment, to sign Lessee's name with the same force and effect as if signed by Lessee, and to file same at the proper location(s); and (ii) make claims for, receive payment of, and execute and endorse all documents, checks or drafts for loss, theft, damage or destruction to the Equipment under any insurance.

**22. MISCELLANEOUS.** (a) All section headings in the Lease are for reference only and do not define or limit the scope of any provision hereof. (b) This Lease may be executed in several counterparts, each of which shall be deemed an original, but all of which shall be deemed one instrument. Only one counterpart of this Lease will be marked "Lessor's Original". All other counterparts will be deemed duplicates. An assignment of, or security interest in, this Lease may be created through transfer and possession only of the counterpart marked "Lessor's Original". (c) This Lease constitutes the entire agreement between the parties with respect to the lease of the Equipment. This Lease shall not be modified or amended except with the written consent of Lessee and Lessor. Any provision of this Lease found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of the Lease. (d) All notices to be given hereunder shall be in writing and either personally delivered or mailed by regular or certified mail or sent by an overnight courier delivery company to the other party at its address set forth herein or at such address as the party may provide in writing from time to time. Any such notices shall be deemed to have been received 5 days after mailing if sent by regular or certified mail, or on the next business day if sent by overnight courier, or on the day of delivery if delivered personally.

**23. ANTI-MONEY LAUNDERING/INTERNATIONAL TRADE LAW COMPLIANCE.**

Lessee represents and warrants to Lessor, as of the date of this Master Lease, the date of each advance of proceeds pursuant to this Master Lease, the date of any renewal, extension or modification of this Master Lease or any Lease, and at all times until this Master Lease and each Lease has been terminated and all amounts thereunder have been indefeasibly paid in full, that: (a) no Covered Entity (i) is a Sanctioned Person; (ii) has any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person; or (iii) does business in or with, or derives any of its operating income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any law, regulation, order or directive enforced by any Compliance Authority; (b) the proceeds of any Lease will not be used to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Country or Sanctioned Person in violation of any law, regulation, order or directive enforced by any Compliance Authority; (c) the funds used to repay any Lease are not derived from any unlawful activity; and (d) each Covered Entity is in compliance with, and no Covered Entity engages in any dealings or transactions prohibited by, any laws of the United States, including but not limited to any Anti-Terrorism Laws. Lessee covenants and agrees that it shall immediately notify Lessor in writing upon the occurrence of a Reportable Compliance Event.

As used herein: "Anti-Terrorism Laws" means any laws relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering, or bribery, all as amended, supplemented or replaced from time to time; "Compliance Authority" means each and all of the (a) U.S. Treasury Department/Office of

Foreign Assets Control, (b) U.S. Treasury Department/Financial Crimes Enforcement Network, (c) U.S. State Department/Directorate of Defense Trade Controls, (d) U.S. Commerce Department/Bureau of Industry and Security, (e) U.S. Internal Revenue Service, (f) U.S. Justice Department, and (g) U.S. Securities and Exchange Commission; "Covered Entity" means Lessee, its affiliates and subsidiaries, all guarantors, pledgors of collateral, all owners of the foregoing, and all brokers or other agents of Lessee acting in any capacity in connection with this Master Lease or any Lease; "Reportable Compliance Event" means that any Covered Entity becomes a Sanctioned Person, or is indicted, arraigned, investigated or custodially detained, or receives an inquiry from regulatory or law enforcement officials, in connection with any Anti-Terrorism Law or any predicate crime to any Anti-Terrorism Law, or self-discovers facts or circumstances implicating any aspect of its operations with the actual or possible violation of any Anti-Terrorism Law; "Sanctioned Country" means a country subject to a sanctions program maintained by any Compliance Authority; and "Sanctioned Person" means any individual person, group, regime, entity or thing listed or otherwise recognized as a specially designated, prohibited, sanctioned or debarred person or entity, or subject to any limitations or prohibitions (including but not limited to the blocking of property or rejection of transactions), under any order or directive of any Compliance Authority or otherwise subject to, or specially designated under, any sanctions program maintained by any Compliance Authority.

#### **24. USA PATRIOT ACT NOTICE.**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each lessee that opens an account. What this means: when Lessee opens an account, Lessor will ask for the business name, business address, taxpayer identifying number and other information that will allow Lessor to identify Lessee, such as organizational documents. For some businesses and organizations, Lessor may also need to ask for identifying information and documentation relating to certain individuals associated with the business or organization.

#### **25. HEAVY-DUTY VEHICLE GREENHOUSE GAS EMISSION REDUCTION REGULATION.**

(a) If the equipment leased pursuant to the Lease is a tractor, the Lessee of this heavy-duty tractor understands that when using a heavy-duty tractor to pull a 53-foot or longer box-type trailer on a highway within California, the heavy-duty tractor must be compliant with sections 95300-95312, title 17, California Code of Regulations, and that it is the responsibility of the Lessee to ensure this heavy-duty tractor is compliant. The regulations may require this heavy-duty tractor to have low-rolling-resistance tires that are U.S. Environmental Protection Agency (U.S. EPA) SmartWay Verified Technologies prior to current or future use in California, or may entirely prohibit use of this tractor in California if it is a model year 2011 or later tractor and is not a U.S. EPA SmartWay Certified Tractor.

(b) If the equipment leased pursuant to the Lease is a trailer, the Lessee of this box-type trailer understands that when using a heavy-duty tractor to pull a 53-foot or longer box-type trailer on a highway within California, the box-type trailer must be compliant with sections 95300-95312, title 17, California Code of Regulations, and that it is the responsibility of the Lessee to ensure this box-type trailer is compliant. The regulations may require this trailer to have low-rolling-resistance tires and aerodynamic technologies that are U.S. Environmental Protection Agency SmartWay Verified Technologies prior to current or future use in California.

(c) Notwithstanding anything in the Lease to the contrary, the Lease does not prohibit the Lessee from modifying the trailer, at Lessee's cost, to be compliant with the requirements of the California Heavy-Duty Vehicle Greenhouse Gas Emission Reduction Regulation.

**26. IMPORTANT INFORMATION ABOUT PHONE CALLS.** By providing telephone number(s) to Lessor, now or at any later time, Lessee authorizes Lessor and its affiliates and designees to contact Lessee regarding Lessee account(s) with Lessor or its affiliates, whether such accounts are Lessee individual accounts or business accounts for which Lessee is a contact, at such numbers using any means, including but not limited to placing calls using an automated dialing system to cell, VoIP or other wireless phone number, or leaving prerecorded messages or sending text messages, even if charges may be incurred for the calls or text messages. Lessee consents that any phone call with Lessor may be monitored or recorded by Lessor.

**OPTIONS AT END OF LEASE TERM.** At the end of the Lease Term, Lessee shall have the options set forth in the End-Of-Lease Term Options Rider that is attached to and made a part of the Lease if and only if said End-Of-Lease Term Options Rider has been executed by Lessee, Lessor and Manufacturer or Manufacturer's designee.

Webb County, a political subdivision of the State  
of Texas  
("Lessee")

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

Title: \_\_\_\_\_

1000 Houston Street, 3<sup>rd</sup> Floor  
Laredo, TX 78040

PNC Bank, National Association  
("Lessor")

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

Title \_\_\_\_\_

155 East Broad Street, B4-B230-05-7  
Columbus, OH 45215



**SCHEDULE A-1 TO LEASE-PURCHASE AGREEMENT**

This Schedule A-1, (the "Schedule") is attached and made a part of the Lease-Purchase Agreement No. 98998944-1, together with all exhibits, schedules, addenda, and other attachments thereto, executed by Lessee and Lessor (the "Lease"). Unless otherwise defined herein, capitalized terms will have the same meaning ascribed to them in the Lease. To the extent that there is any conflict between the terms of the Lease and this Schedule, the terms of this Schedule shall control.

**1. EQUIPMENT DESCRIPTION.** As used in the Lease, "Equipment" means all of the property described in this Schedule and all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto.

**2. ESSENTIAL USE; CURRENT INTENT OF LESSEE.** Lessee represents that the use of the Equipment is essential to Lessee's proper, efficient and economic functioning or to the services that Lessee provides to its citizens and the Equipment will be used by Lessee only for the purpose of performing its governmental or proprietary functions consistent with the permissible scope of its authority. Lessee currently intends for the full Lease Term: to use the Equipment; to continue this Lease; and (if applicable) to make Rent Payments if funds are appropriated in each fiscal year by its governing body.

**3. BANK QUALIFIED.** LESSEE CERTIFIES THAT IT HAS DESIGNATED THIS LEASE-PURCHASE AGREEMENT AS A QUALIFIED TAX-EXEMPT OBLIGATION IN ACCORDANCE WITH SECTION 265(b)(3) OF THE CODE, THAT IT HAS NOT DESIGNATED MORE THAN \$10,000,000 OF ITS OBLIGATIONS AS QUALIFIED TAX-EXEMPT OBLIGATIONS IN ACCORDANCE WITH SUCH SECTION FOR THE CURRENT CALENDAR YEAR AND THAT IT REASONABLY ANTICIPATES THAT THE TOTAL AMOUNT OF TAX-EXEMPT OBLIGATIONS TO BE ISSUED BY LESSEE DURING THE CURRENT CALENDAR YEAR WILL NOT EXCEED \$10,000,000.

**4. EQUIPMENT LOCATION & DESCRIPTION.**

Webb County, a political subdivision of the State of Texas

7210 E. Saunders, Hwy 59

Laredo, TX 78041

Webb, County

(4) New Pierce Freightliner M2, 106MD, 4x4, Four Door Responder Pumper

(1) Pierce Freightliner M2, 106MD, Two Door FXT 3000 Gallon Tanker

(5) Preventive Maintenance

VIN # TBD

**5. LEASE PAYMENT SCHEDULE.**

(a) Accrual Date:	<u>June 28, 2022</u>
(b) Amount Financed:	
i. Equipment Purchase Price	\$2,584,967.00
ii. Purchase Price Deductions	\$0.00
Prepay Discounts	\$ 40,713.00
Trade In	\$ 215,000.00

iii. Total Amount Financed (Cash Sale Price minus Purchase Price Deductions)

\$ 2,329,54.00

(c) Payment Schedule:

Accrual Date: June 28, 2022

Rent Payment Number	Rent Payment Date	Rent Payment Amount	Interest Portion	Principal Portion	Termination Value
1	05/28/2023	90,331.06	90,331.06	0.00	no call
2	05/28/2024	366,452.89	97,362.82	269,090.07	no call
3	05/28/2025	366,452.89	86,114.85	280,338.04	1,833,220.67
4	05/28/2026	366,452.89	74,396.72	292,056.17	1,532,402.81
5	05/28/2027	366,452.89	62,188.77	304,264.12	1,219,010.77
6	05/28/2028	366,452.89	49,470.53	316,982.36	892,518.94
7	05/28/2029	366,452.89	36,220.67	330,232.22	552,379.75
8	05/28/2030	558,708.00	22,416.98	536,291.02	1.00

Webb County, a political subdivision of the State of Texas  
("Lessee")

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

Title: \_\_\_\_\_

PNC Bank, National Association  
("Lessor")

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

Title: \_\_\_\_\_

TEXAS LEASE SCHEDULE ADDENDUM

Dated As of June 28, 2022

Lease Schedule No. 98998944-1 dated June 28, 2022

Lessee: Webb County, a political subdivision of the State of Texas

Reference is made to the above Lease Schedule ("Schedule") and to the Master Lease-Purchase Agreement ("Master Lease") identified in the Schedule by and between PNC Bank, National Association ("Lessor") and the above lessee ("Lessee"). As used herein, "Lease" shall mean the Schedule and the Master Lease, but only to the extent that the Master Lease relates to the Schedule. This Addendum amends and modifies the terms and conditions of the Lease and is hereby made a part of the Lease. Unless otherwise defined herein, capitalized terms defined in the Master Lease shall have the same meaning when used herein.

NOW, THEREFORE, solely for purposes of the Lease, Lessor and Lessee hereby agree as follows:

**1. NON-APPROPRIATION AND NON-SUBSTITUTION AMENDMENTS.** All of subsections 5.a and 5.b of the Master Lease are deleted and replaced with the following:

**"5. TERMINATION FOR GOVERNMENTAL NON-APPROPRIATIONS.**

"5.a For the Lease, Lessee represents and warrants: that it has appropriated and budgeted the necessary funds to make all Rent Payments required pursuant to such Lease for the remainder of the fiscal year in which the Lease Term commences; and that it currently intends to make Rent Payments for the full Lease Term as scheduled in the applicable Payment Schedule if funds are appropriated for the Rent Payments in each succeeding fiscal year by its governing body. Without contractually committing itself to do so, Lessee reasonably believes that moneys in an amount sufficient to make all Rent Payments can and will lawfully be appropriated and made available therefor. All Rent Payments shall be payable out of the general funds of Lessee or out of other funds legally available therefor. Lessor agrees that the Lease will not be a general obligation of Lessee and the Lease shall not constitute a pledge of either the full faith and credit of Lessee or the taxing power of Lessee.

"5.b If Lessee's governing body fails to appropriate sufficient funds in any fiscal year for Rent Payments or other payments due under the Lease and if other funds are not legally available for such payments, then a "Non-Appropriation Event" shall be deemed to have occurred. If a Non-Appropriation Event occurs, then: (a) Lessee shall give Lessor immediate notice of such Non-Appropriation Event and provide written evidence of such failure by Lessee's governing body; (b) on the Return Date, Lessee shall return to Lessor all, but not less than all, of the Equipment covered by the Lease, at Lessee's sole expense, in accordance with Section 21 hereof (provided, that if under applicable State law Lessee's obligation to pay the expenses of returning the Equipment would render the Lease void or unenforceable under State law, then Lessee shall not be obligated to pay the expenses of returning the Equipment under section 21 hereof, but Lessee shall be required to cooperate with Lessor in Lessor's taking possession of the Equipment); and (c) the Lease shall terminate on the Return Date without penalty to Lessee, provided, that Lessee shall pay all Rent Payments and other amounts payable under the Lease for which funds shall have been appropriated or are otherwise legally available, provided further, that Lessee shall pay month-to-month rent at the rate set forth in the Lease for each month or part thereof that Lessee fails to return the Equipment under this Section 6.2. "Return Date" means the last day of the fiscal year for which appropriations were made for the Rent Payments due under the Lease."

**2. DECLARATION OF PERSONAL PROPERTY FINANCING.**

**(a) LESSEE AND LESSOR EXPRESSLY DECLARE AND AGREE THAT THE EQUIPMENT SHALL CONSTITUTE PERSONAL PROPERTY AND THAT THE EQUIPMENT SHALL NOT BE DEEMED, OR IDENTIFIED AS, ANY OF THE FOLLOWING: REAL PROPERTY; AN IMPROVEMENT ON ANY REAL PROPERTY; A PERMANENT BUILDING OR STRUCTURE ON ANY REAL PROPERTY; OR A FIXTURE ON ANY REAL PROPERTY.**

(b) Lessee represents and warrants to Lessor that the Equipment is personal property and that the Equipment is not any of the following: real property; an improvement on any real property; a permanent building or structure on any real property; or a fixture on any real property. Upon Lessor's written request, Lessee shall furnish to Lessor a certificate executed by an independent engineer or architect who is reasonably satisfactory to Lessor wherein said engineer or architect certifies that the Equipment is relocatable or transportable and will remain personal property.

(c) Without limiting the generality of the representations in the Master Lease as it applies to the Lease, Lessee represents and warrants to Lessor that the Lease complies with all applicable provisions of the laws of the State of Texas,

including, without limitation, all applicable public finance laws of the State of Texas.

3. **NO SALE OF FRACTIONAL INTERESTS IN THE LEASE.** Lessor agrees that: (a) unless otherwise agreed by Lessee in writing, Lessor will not create or sell fractional interests in the Lease or participation interests in the Lease; (b) if Lessor sells or assigns its rights in the Lease, then, unless otherwise agreed by Lessee in writing, such sale or assignment shall be of an undivided interest in all of Lessor's right, title and interest in the Lease to a single purchaser or assignee; and (c) if Lessee consents to the creation or sale of any fractional interests in the Lease or any participation interests in the Lease, Lessor agrees that such transaction shall comply with applicable State and federal law.

4. **ISRAEL.** In accordance with Texas law, Lessor does not boycott Israel and will not boycott Israel during the term of this Lease.

5. **GENERAL.** Except as expressly amended by this Addendum and other modifications signed by Lessor, the Lease remains unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the date first referenced above.

Webb County, a political subdivision of the State of Texas  
(Lessee)

PNC Bank, National Association  
(Lessor)

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

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

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**END-OF-LEASE TERM OPTIONS RIDER**  
**(Including "Turn In" Option)**

Lease-Purchase Agreement Number 98998944-1 Dated June 28, 2022

Lessee: Webb County, a political subdivision of the State of Texas

Balloon Rent Payment: \$558,708.00 (Payable at the End of the Lease Term)

Reference is made to the above Lease-Purchase Agreement together with its Schedule A-1 and all related agreements ("Lease") between PNC Bank, National Association ("Lessor") and the above Lessee ("Lessee"). Unless otherwise defined herein, capitalized terms defined in the Lease shall have the same meaning when used herein. Lessee and Lessor agree that this Rider is attached to and made a part of the Lease.

**1. THREE OPTIONS AT THE END OF THE LEASE TERM.** At the end of the Lease Term, Lessee shall have the following three options (**provided, that if Lessee fails to furnish the advance written notice as required in paragraphs 3 or 4 below, then Lessee shall automatically be obligated to pay in full the amounts set forth in paragraph 2 below**): (i) Lessee may pay the Balloon Rent Payment and all other amounts set forth in paragraph 2 below; or (ii) subject to the requirements of paragraph 3 below, Lessee may turn in the Equipment to Pierce Manufacturing Inc. ("Pierce") and Lessee shall agree to acquire a new fire truck supplied by Pierce or Pierce's designated dealer; or (iii) subject to the requirements of paragraph 4 below, Lessee may re-finance the Balloon Rent Payment.

**2. BALLOON RENT PAYMENT.** Unless Lessee has made an effective and timely election under paragraphs 3 or 4 below, at the end of the Lease Term, Lessee shall pay Lessor the Balloon Rent Payment together with all other unpaid Rent Payments and all other amounts then due and payable by Lessee under the Lease and thereafter the Lease shall terminate in accordance with Section 13 of the Lease. "Balloon Rent Payment" means the amount set forth above as the Balloon Rent Payment. Lessee expressly agrees that if it fails to furnish the advance written notice as required in paragraphs 3 or 4 below, then Lessee shall automatically be obligated to pay to Lessor in full the amounts set forth in this paragraph 2.

**3. "TURN-IN" OPTION WITH RETURN & MAINTENANCE REQUIREMENTS.** If and only if Lessee sends written notice to Lessor and Pierce that Lessee elects to exercise Lessee's rights under this paragraph 3 **at least 18 months (but no more than 24 months)** before the end of the Lease Term, then Lessee agrees for the benefit of both Lessor and Pierce that: (a) Lessee shall return the Equipment to Pierce in accordance with subparagraphs 3.1 and 3.2 below; (b) Lessee shall enter into a binding contract with Pierce (or Pierce's designated dealer) to acquire a Replacement Fire Truck in accordance with subparagraph 3.4 below; and (c) Lessee shall pay in full all amounts set forth in subparagraphs 3.1, 3.2 and 3.3 below. If and only if (i) Lessee complies in full with all of the requirements of this paragraph 3, then Lessee shall not be obligated to pay Lessor the Balloon Rent Payment at the end of the Lease Term. Lessee acknowledges that Pierce is the intended third party beneficiary of the terms and conditions of this paragraph 3, and Lessee agrees that Pierce, directly in its own name and for its own benefit, may demand performance of and enforce any or all of Lessee's obligations as set forth in this paragraph 3

3.1 If Lessee has made an effective and timely election under the above terms of this paragraph 3, then at the end of the Lease Term, Lessee shall return the Equipment to Pierce at a location selected by Pierce and Lessee agrees for the benefit of both Lessor and Pierce that the Equipment shall comply with the following return and maintenance conditions on such date, all as determined by Pierce in its sole discretion: (1) during the Lease Term, Lessee shall have properly maintained the Equipment, including, without limitation, all oil supplies, lubrication, brake and hydraulic fluids, refrigeration fluids, filters and pollution control devices of the Equipment; (2) all paint shall be in normal condition without excessive scratches, dents and chips, all graphics must be professionally removed so that the exterior is in "trade-in" condition, and any paint or body repair exceeding \$500.00 shall be completed at Lessee's expense; (3) all electrical components shall be fully operational and shall pass the Pierce QSD113 electrical test (or its reasonable equivalent as determined by Pierce); (4) all pumps must pass NFPA standard 1911 third-party

certification (or its reasonable equivalent as determined by Pierce); (5) engines shall perform according to original equipment manufacturer (OEM) specifications without excessive fluid leaks or blow by (as specified in the owner's manual or its equivalent); (6) the transmissions shall shift properly at rated loads and speeds and the mechanical drivelines, differentials and final drives shall be in good condition without leaks or excessive vibration; (7) air conditioning units shall be fully functional and cooling to their rated capacity; (8) all environmental equipment shall be fully functional; (9) the engine and exhaust systems shall conform to all federal and state emissions standards; (10) replacement parts installed on the Equipment shall have been supplied by approved OEM suppliers; (11) all brakes shall have at least 50% remaining useful life; (12) each tire shall have at least 50% remaining useful life, shall be of original size and rated capacity and shall not have any material damage, and any tire not satisfying said standards shall be replaced at Lessee's expense; (13) frame and structural members must be structurally sound and without breaks or cracks; (14) glass shall not be cracked or broken; (15) batteries must hold their rated charge for 72 hours; (16) any cost to repair damage to the chassis interior (including seat surfaces, headliners, door panels, dash and radio equipment mounting) exceeding \$500.00 shall be paid by Lessee; (17) aerials must pass NFPA standard 1914 third-party certification (or its reasonable equivalent as determined by Pierce); (18) any cost exceeding \$1,000.00 in total to repair physical damage to hose bed areas, cross lays, compartment interiors and tread plate surfaces shall be paid by Lessee; (19) all gauges and meters shall be fully operational; (20) Lessee shall pay all out-of-pocket costs incurred by Pierce or its agent to transport the Equipment to the location specified by Pierce and to insure the Equipment during such transportation; and (21) Lessee shall have maintained the Equipment in compliance with Section 8 of the Lease.

3.2 At the time of Lessee's return of the Equipment to Pierce, (a) Lessee shall provide a historical record of all maintenance and repairs of the Equipment and periodic lubrication analyses done during the Lease Term in order to verify Lessee's compliance with the foregoing return and maintenance conditions, and (b) Lessee shall transfer good title to the Equipment free and clear of all Liens to PNC Bank, National Association (or its designee) and deliver a Certificate of Title and such other documents as PNC Bank, National Association reasonably requests in connection with such transfer of title. Within 20 days of Lessee's return of the Equipment, Pierce and/or its authorized agents will conduct a comprehensive road test, take lubrication testing samples from the engine, transmission and differential (and such lubricant tests must show no contaminants or excessive metal particles) and conduct other tests in order to determine whether the Equipment complies with the foregoing return and maintenance requirements and Lessee shall pay all costs and expenses necessary to make the Equipment comply with the foregoing return and maintenance requirements. All sums due under this paragraph 3 shall be paid to Pierce promptly upon Pierce's written demand and if said sums are not so paid by Lessee within 10 days from the demand date, Lessee shall pay Pierce on demand as a late charge 5% of such overdue amount, limited, however, to the maximum legal amount.

3.3 If Lessee intends to exercise its rights under this paragraph 3 and if at the time of Lessee's return of the Equipment to Pierce at the end of the Lease Term the mileage recorded on the Equipment's odometer is greater than the Maximum Mileage noted below, then Lessee shall pay to Pierce an excess usage fee amount equal to the Excess Usage Fee stated below for each mile in excess of the Maximum Mileage stated below:

Maximum Mileage at the End of the Lease Term: 70,000 miles per (4) New Pierce Freightliner M2, 106MD, 4x4 Four Door Responder Pumper

Maximum Mileage at the End of the Lease Term: 105,000 miles (1) New Pierce Freightliner M2, 106MD, Two Door FXT 3000 Gallon Tanker

Excess Usage Fee: \$4.84 per mile (4) New Pierce Freightliner M2, 106MD, 4x4 Four Door Responder Pumper

Excess Usage Fee: \$4.42 per mile (1) New Pierce Freightliner M2, 106MD, Two Door FXT 3000 Gallon Tanker

3.4 No later than 18 months before the end of the Lease Term, Lessee shall have entered into a binding written contract with Pierce or Pierce's designated dealer (which contract remains in effect at all relevant times) to acquire a new fire truck (a "Replacement Fire Truck") from Pierce or Pierce's designated dealer; provided, that (a) the terms and conditions of said contract shall be reasonably

satisfactory to Pierce or Pierce's designated dealer, and (b) the acquisition cost of the Replacement Fire Truck shall not be less than the Balloon Rent Payment; and the acquisition shall be financed by PNC Bank, National Association.

3.5 After careful consideration of the Lessor's Cost of the Equipment, of the length of the Lease Term, of the physical, technical and performance characteristics of the Equipment, of the anticipated obsolescence of and Lessee's intended use of the Equipment, and of all other relevant factors, Lessee represents and warrants to Lessor and Pierce that Lessee has no current fixed intention to exercise its option under this paragraph 3.

3.6 If Pierce determines that the "turn-in" conditions set forth herein have not been satisfied by Lessee, then the "turn-in" option of Lessee set forth in this paragraph 3 shall be void and Lessee shall be obligated to pay to PNC Bank, National Association in full the amounts set forth in paragraph 2 above.

4. **RE-FINANCE OPTION.** If and only if Lessee sends written notice to Lessor that Lessee elects to exercise Lessee's rights under this paragraph 4 **at least 3 months (but no more than 6 months)** before the end of the Lease Term, then Lessor agrees to re-finance the Balloon Rent Payment with Lessee so long as all of the following conditions are satisfied in full: (a) Lessor in its sole discretion approves in writing the extension of credit to Lessee in connection with said re-financing; (b) the interest rate and term of the re-financing shall be mutually acceptable to Lessor and Lessee (provided, that if for any reason Lessor and Lessee fail to agree on the interest rate and term for the re-financing, then Lessor shall have no obligation to re-finance the Balloon Rent Payment); (c) Lessee shall execute and deliver to Lessor such agreements as Lessor reasonably requires for such re-financing including, but not limited to, (i) an amendment of the Lease and its Schedule to reflect the terms of the re-financing approved by Lessor; (ii) no Event of Default under the Lease shall have occurred and be continuing; (iii) no material adverse change shall have occurred in the Internal Revenue Code of 1986, as amended, and the related regulations and rulings (collectively, the "Code"); (iv) all representations of Lessee in the Lease remain true, accurate and complete; and (v) Lessor has received all of the following documents, which shall be reasonably satisfactory, in form and substance, to Lessor (A) evidence of required insurance coverage; (B) an opinion of Lessee's counsel; (C) copies of resolutions by Lessee's governing body authorizing the re-financing of the Lease and incumbency certificates for the person(s) who will sign the required documents for the re-financing; (D) such documents and certificates relating to the tax-exempt interest payable in connection with the re-financing (including, without limitation, IRS Form 8038G or 8038GC) as Lessor may request; and (E) such other documents and information as are reasonably requested by Lessor.

Webb County, a political subdivision of the State of Texas  
(Lessee Name)

PNC Bank, National Association  
("Lessor")

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

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

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Pierce Manufacturing Inc., solely for the purposes of acknowledging the Balloon Rent Payment and its status as Third-Party beneficiary under certain terms of this Agreement.  
By: \_\_\_\_\_  
Title: \_\_\_\_\_

## RESOLUTION

Municipality/Lessee: Webb County, a political subdivision of the State of Texas

Principal Amount Expected to Be Financed: \$2,329,254.00

WHEREAS, the Municipality is a political subdivision of the State in which Municipality is located (the "State") and is duly organized and existing pursuant to the Constitution and laws of the State.

WHEREAS, pursuant to applicable law, the governing body of the Municipality ("Governing Body") is authorized to acquire, dispose of and encumber real and personal property, including, without limitation, rights and interest in property, leases and easements necessary to the functions or operations of the Municipality.

WHEREAS, the Governing Body hereby finds and determines that the execution of one or more Lease-Purchase Agreements ("Leases") in the principal amount not exceeding the amount stated above for the purpose of acquiring the property ("Equipment") to be described in the Leases is appropriate and necessary to the functions and operations of the Municipality.

WHEREAS, PNC Bank, National Association ("Lessor") shall act as Lessor under said Leases.

NOW, THEREFORE, Be It Ordained by the Governing Body of the Municipality:

Section 1. Either one of the \_\_\_\_\_ OR \_\_\_\_\_ (each an "Authorized Representative") acting on behalf of the Municipality, is hereby authorized to negotiate, enter into, execute, and deliver one or more Leases in substantially the form set forth in the document presently before the Governing Body, which document is available for public inspection at the office of the Municipality. Each Authorized Representative acting on behalf of the Municipality is hereby authorized to negotiate, enter into, execute, and deliver such other documents relating to the Lease as the Authorized Representative deems necessary and appropriate. All other related contracts and agreements necessary and incidental to the Leases are hereby authorized.

Section 2. By a written instrument signed by any Authorized Representative, said Authorized Representative may designate specifically identified officers or employees of the Municipality to execute and deliver agreements and documents relating to the Leases on behalf of the Municipality.

Section 3. The aggregate original principal amount of the Leases shall not exceed the amount stated above and shall bear interest as set forth in the Leases and the Leases shall contain such options to purchase by the Municipality as set forth therein.

Section 4. The Municipality's obligations under the Leases shall be subject to annual appropriation or renewal by the Governing Body as set forth in each Lease and the Municipality's obligations under the Leases shall not constitute general obligations of the Municipality or indebtedness under the Constitution or laws of the State.

Section 5. As to each Lease, the Municipality reasonably anticipates to issue not more than \$10,000,000 of tax-exempt obligations (other than "private activity bonds" which are not "qualified 501(c)(3) bonds") during the calendar year in which each such Lease is issued and hereby designates each Lease as a qualified tax-exempt obligation for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended.



Section 6. This resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED on this \_\_\_\_\_, 20\_\_\_\_.

The undersigned Secretary/Clerk of the above-named Municipality hereby certifies and attests that the undersigned has access to the official records of the Governing Body of the Municipality, that the foregoing resolutions were duly adopted by said Governing Body of the Municipality at a meeting of said Governing Body and that such resolutions have not been amended or altered and are in full force and effect on the date stated below.

LESSEE: Webb County, a political subdivision of the State of Texas

\_\_\_\_\_  
Signature of Secretary/Clerk of Municipality

[SEAL]

Print Name: \_\_\_\_\_

Official Title: \_\_\_\_\_

Date: \_\_\_\_\_

### CERTIFICATE OF INCUMBENCY

Lessee: Webb County, a political subdivision of the State of Texas

Lease-Purchase Agreement No.: 98998944-1

Dated: June 28, 2022

I, the undersigned Secretary/Clerk identified below, do hereby certify that I am the duly elected or appointed and acting Secretary/Clerk of the above Lessee (the "Lessee"), a political subdivision duly organized and existing under the laws of the State where Lessee is located, that I have the title stated below, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of the Lessee holding the offices set forth opposite their respective names.

[NOTE: Use same titles as Authorized Representatives stated in Resolutions.]

Name	Title	Signature

Name	Title	Signature

IN WITNESS WHEREOF, I have duly executed this certificate and affixed the seal of such Lessee as of the date set forth below.

\_\_\_\_\_  
Signature of Secretary/Clerk of Lessee

[SEAL]

Print Name: \_\_\_\_\_

Official Title: \_\_\_\_\_

Date: \_\_\_\_\_