

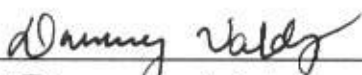
# Addendum to Tax-Exempt Lease/Purchase Agreement Texas

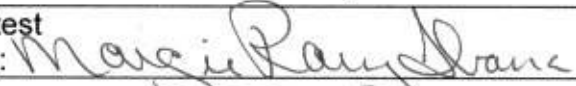
THIS ADDENDUM, which is entered into as of November 01, 2014 between Key Government Finance, Inc. ("Lessor") and Webb County ("Lessee"), is intended to modify and supplement the Tax-Exempt Lease/Purchase Agreement between Lessor and Lessee of even date herewith (the "Agreement"). Capitalized terms not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

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

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

<b>Lessor: Key Government Finance, Inc.</b>	
By:	
Name:	TRACY BUCKSKIN
Title:	Designated Signer

<b>Lessee: Webb County</b>	
By:	
Name:	Danny Valdez
Title:	Webb County Judge

<b>Attest</b>	
By:	
Name:	Margie Ramirez Ibarra
Title:	Webb County Clerk



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

**Accepted by Lessor:**

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

By: 

Name: **TRACY BUCKSKIN**

Title: **Designated Signer**

**Agreed to by Lessee:**

Webb County  
1110 Washington, Suite 101  
Laredo, TX 78040

By: 

Name: **Danny Valdez**

Title: **Webb County Judge**

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

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

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

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

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

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

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

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

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

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

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

KEYCORP CONFIDENTIAL - This is counterpart # 2 of 2 manually executed counterparts. Only counterpart # 1 constitutes chattel paper

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

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

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

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

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

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

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

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

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

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

SnapOut TELP-Appropriation

KEYCORP CONFIDENTIAL - This is counterpart # 2 of 2 manually executed counterparts. Only counterpart # 1 constitutes chattel paper

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

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

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

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

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

<b>Lessor: Key Government Finance, Inc.</b>	
By:	<i>[Signature]</i>
Name:	TRACY BUCKSKIN
Title:	Designated Signer

<b>Lessee: Webb County</b>	
By:	<i>[Signature]</i>
Name:	Danny Valdez
Title:	Webb County Judge

Attest By:	<i>[Signature]</i>
Name:	MARGIE RAUWER IBARRA
Title:	County Clerk



EXHIBIT A

Property Description

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

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

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

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

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

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

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

<b>Acceptance Date:</b>	11-10-14
<b>Lessee: Webb County</b>	
By:	Danny Valdez
Name:	Danny Valdez
Title:	Webb County Judge

**WEBB COUNTY ATTORNEY'S OFFICE**

1110 WASHINGTON ST., SUITE 301  
LAREDO, TEXAS 78040



**MARCO A. MONTEMAYOR**  
Webb County Attorney

Telephone (956) 523-4044  
Telecopier (956) 523-5005

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

Ladies and Gentlemen:

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

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

1. Lessee is a public body corporate and politic, duly organized and existing under the laws of the State, and has a substantial amount of one or more of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) the police power.
2. Lessee has all requisite power and authority to enter into the Agreement and to perform its obligations thereunder.
3. All proceedings of Lessee and its governing body relating to the authorization and approval of the Agreement, the execution thereof and the transactions contemplated thereby have been conducted in accordance with all applicable open meeting laws and all other applicable state and federal laws.
4. The Agreement has been duly executed and delivered by Lessee and constitute legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with the terms thereof, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other laws of equitable principles of general application, or of application to municipalities or political subdivisions such as the Lessee, affecting remedies or creditors' rights generally, and to the exercise of judicial discretion in appropriate cases.
5. As of the date hereof, based on such inquiry and investigation as we have deemed sufficient, no litigation is pending, (or, to our knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoin the delivery of the Agreement; (b) questioning the authority of Lessee to execute the Agreement, or the validity of the Agreement, or the payment of principal of or interest on, the Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Agreement; or (d) affecting the provisions made for the payment of or security for the Agreement.

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

Very truly yours,

By:   
**Marco A. Montemayor**



EXHIBIT D

Lessee's Certificate

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

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

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

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

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

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

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

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

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

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



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

EXHIBIT E

**Bank Qualification Certificate**

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

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

Bank Qualified Tax-Exempt Obligation

(Check box for Bank Qualified designation)

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

Non-Bank Qualified Tax-Exempt Obligation

(Check box for Non-Bank Qualified designation)

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

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

<b>Lessee: Webb County</b>	
By:	<i>Danny Valdez</i>
Name:	<i>Danny Valdez</i>
Title:	<i>Webb County Judge</i>

## Notification of Tax Treatment

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

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

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

- I agree that my lease is subject to sales/use tax.
- I am exempt from sales/use tax and I have attached a completed exemption certificate to Key Government Finance, Inc.
- I have previously provided a completed exemption certificate to Key Government Finance, Inc. which is valid for this transaction.
- I am exempt from state tax but subject to local tax. I have attached a completed exemption certificate.
- I have a valid abatement or property tax exemption (documentation attached).

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

Additional comments:

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<b>Lessee: Webb County</b>	
By:	<i>Danny Valdez</i>
Name:	<i>Danny Valdez</i>
Title:	<i>Webb County Judge</i>

### TEXAS SALES AND USE TAX EXEMPTION CERTIFICATION

Name of purchaser, firm or agency <b>WEBB COUNTY TREASURER</b>	
Address (Street & number, P.O. Box or Route number) <b>1110 WASHINGTON, SUITE 202</b>	Phone (Area code and number) <b>(956) 523-4150</b>
City, State, ZIP code <b>LAREDO, TEXAS 78040</b>	

I, the purchaser named above, claim an exemption from payment of sales and use taxes (for the purchase of taxable items described below or on the attached order or invoice) from:

Seller: \_\_\_\_\_

Street address: \_\_\_\_\_ City, State, ZIP code: \_\_\_\_\_

Description of items to be purchased or on the attached order or invoice:

FOR I.T. Related Products + Services

Purchaser claims this exemption for the following reason:

**WEBB COUNTY IS A TAX EXEMPT POLITICAL SUB DIVISION OF THE STATE OF TEXAS.**

**TAX ID#74-6001587**

I understand that I will be liable for payment of all state and local sales or use taxes which may become due for failure to comply with the provisions of the Tax Code and/or all applicable law.

I understand that it is a criminal offense to give an exemption certificate to the seller for taxable items that I know, at the time of purchase, will be used in a manner other than that expressed in this certificate, and depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree.

sign here	Purchaser <i>Debra P... [Signature]</i>	Title <b>TREASURER</b>	Date <b>5-29-14</b>
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NOTE: This certificate cannot be issued for the purchase, lease, or rental of a motor vehicle.  
**THIS CERTIFICATE DOES NOT REQUIRE A NUMBER TO BE VALID.**  
Sales and Use Tax "Exemption Numbers" or "Tax Exempt" Numbers do not exist.

This certificate should be furnished to the supplier. Do not send the completed certificate to the Comptroller of Public Accounts.

## INVOICE INSTRUCTIONS

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

Webb County

BILL TO ADDRESS: 1110 Washington St 304  
LAREDO, TX 77940

BILLING CONTACT: Rafael Peña  
First, M.I. and Last Name: IT Director  
Title: IT Director  
Phone Number: (956) 523-4069 (956) 523-5009  
Fax Number:

### PURCHASE ORDER NUMBER:

Invoices require purchase order numbers: YES \_\_\_\_\_ NO  \_\_\_\_\_  
Purchase Order Number:

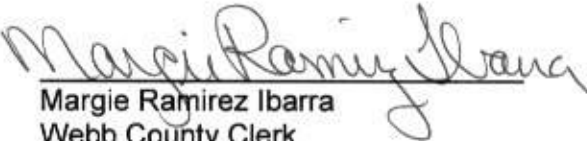
### FEDERAL TAX ID NUMBER:

74-6001587.

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

### ADDITIONAL INFORMATION NEEDED ON INVOICE:

ATTEST:

  
Margie Ramirez Ibarra  
Webb County Clerk



APPROVED AS TO FORM:

  
Marco A. Montemayor  
Webb County Attorney

**\*By law, the county attorney's office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval of their own respective attorney(s).**

**Information Return for Small Tax-Exempt  
Governmental Bond Issues, Leases, and Installment Sales**

Under Internal Revenue Code section 149(e)

Caution: If the issue price of the issue is \$100,000 or more, use Form 8038-G.

**Part I Reporting Authority** Check box if Amended Return

1 Issuer's name Webb County, Texas

2 Issuer's employer identification number (EIN)  
74 6001589

3 Number and street (or P.O. box if mail is not delivered to street address)  
1000 Houston St., 3rd Floor Room/suite

4 City, town, or post office, state, and ZIP code  
Laredo, Texas 78040

5 Report number (For IRS Use Only)  
74 6001589

6 Name and title of officer or other employee of issuer or designated contact person whom the IRS may call for more information

7 Telephone number of officer or legal representative  
956-523-4600

**Part II Description of Obligations** Check one: a single issue  or a consolidated return

8a Issue price of obligation(s) (see instructions)	8a	
b Issue date (single issue) or calendar date (consolidated). Enter date in mm/dd/yyyy format (for example, 01/01/2009) (see instructions) ▶		
9 Amount of the reported obligation(s) on line 8a that is:		
a For leases for vehicles	9a	
b For leases for office equipment	9b	
c For leases for real property	9c	
d For leases for other (see instructions)	9d	54574. 74
e For bank loans for vehicles	9e	
f For bank loans for office equipment	9f	
g For bank loans for real property	9g	
h For bank loans for other (see instructions)	9h	
i Used to refund prior issue(s)	9i	
j Representing a loan from the proceeds of another tax-exempt obligation (for example, bond bank)	9j	
k Other	9k	

10 If the issuer has designated any issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check this box

11 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check this box (see instructions)

12 Vendor's or bank's name: \_\_\_\_\_

13 Vendor's or bank's employer identification number: \_\_\_\_\_

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(s) that I have authorized above.

**Signature and Consent**

Signature of issuer's authorized representative: [Signature] Date: \_\_\_\_\_ Type or print name and title: \_\_\_\_\_

**Paid Preparer Use Only**

Print/Type preparer's name: \_\_\_\_\_ Preparer's signature: \_\_\_\_\_ Date: \_\_\_\_\_ Check  if self-employed PTIN: \_\_\_\_\_

Firm's name: \_\_\_\_\_ Firm's EIN: \_\_\_\_\_

Firm's address: \_\_\_\_\_ Phone no.: \_\_\_\_\_

**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**What's New**

The IRS has created a page on IRS.gov for information about the Form 8038 series and its instructions, at [www.irs.gov/form8038](http://www.irs.gov/form8038). Information about any future developments affecting the Form 8038 series (such as legislation enacted after we release it) will be posted on that page.

**Purpose of Form**

Form 8038-GC is used by the issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

**Who Must File**

Issuers of tax-exempt governmental obligations with issue prices of less than \$100,000 must file Form 8038-GC.

Issuers of a tax-exempt governmental obligation with an issue price of \$100,000 or more must file Form 8038-G, Information Return for Tax-Exempt Governmental Obligations.

**Filing a separate return for a single issue.** Issuers have the option to file a separate Form 8038-GC for any tax-exempt governmental obligation with an issue price of less than \$100,000.

An issuer of a tax-exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that an election was made to

pay a penalty in lieu of arbitrage rebate (see the line 11 instructions).

**Filing a consolidated return for multiple issues.** For all tax-exempt governmental obligations with issue prices of less than \$100,000 that are not reported on a separate Form 8038-GC, an issuer must file a consolidated information return including all such issues issued within the calendar year.

Thus, an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues issued during the calendar year on one consolidated Form 8038-GC. However, if the issue is a construction issue, a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate.