

Thank you for selecting Caterpillar products and for allowing Caterpillar Financial Services Corporation to serve your financing needs. Included in this document package are all of the forms that will be needed for standard tax exempt lease purchase transactions. The forms have been designed to be clear, concise and user friendly. We have also provided a brief explanation of the purpose of each form. If you wish to discuss any of the forms or have any questions about any aspect of this transaction, we encourage you to contact your Caterpillar Dealer or Caterpillar Financial Services Corporation at 1-866-263-3791 Option # 5.

A. Governmental Equipment Lease-Purchase Agreement. The Governmental Lease-Purchase Agreement contains the terms that govern each transaction between us. It is the standard Caterpillar Financial Services Corporation tax exempt lease-purchase agreement, and provides that we will lease to you the equipment described therein pursuant to a full payout amortization schedule. A new Governmental Equipment Lease-Purchase Agreement will have to be signed in connection with each transaction.

B. Lessee's Authorizing Resolution. The Authorizing Resolution is evidence you have taken the necessary governing body actions to approve the Governmental Equipment Lease-Purchase Agreement. Although the authorizing instrument is often a resolution, it may also take other forms such as an ordinance. We are agreeable to using your customary or standard form provided it contains specific approval for the lease-purchase agreement, designates persons who are authorized to sign on your behalf and either approves the document forms or delegates this authority to a named official

C. Verification of Insurance. The Certificate of Insurance is intended to supply information regarding the insurance coverage for the equipment being lease-purchased. You will need to supply the requested information to us so we can verify coverage.

D. Opinion of Counsel. An opinion of counsel is required in connection with each Governmental Equipment Lease-Purchase Agreement. The opinion is intended to confirm that you have complied with all open meeting laws, publication and notice requirements, procedural rules for governing body meetings, and any other relevant state or local government statutes, ordinances, rules or regulations. We would be unable to confirm compliance with these laws and regulations ourselves absent long delays and higher costs so we rely upon the opinion of your attorney since he/she may have been involved in the process to approve our transaction and is an expert in the laws and regulations to which you are subject. The opinion also confirms that you are an entity eligible to issue tax-exempt obligations and that the Governmental Equipment Lease-Purchase Agreement will be treated as tax-exempt as it is your obligation to ensure that you have complied with relevant tax law.

E. Form of 8038G or GC. Form 8038 is required by the Internal Revenue Service in order to monitor the amount of tax-exempt obligations issued. You have to execute a Form 8038 for each Governmental Equipment Lease-Purchase Agreement. Whether a Form 8038 G or GC is required depends on the original principal amount of the Governmental Equipment Lease-Purchase Agreement. If the original principal amount is less than \$100,000 Form 8038GC is filed with the IRS. If the original principal amount is \$100,000 or more Form 8038G is filed with the IRS. Choose the appropriate 8038 form and complete according to IRS guidelines. Contact your TM or Sales Support Representative for assistance.

IRS Form 8038G

<http://www.irs.gov/pub/irs-pdf/f8038g.pdf>

IRS Form 8038GC

<http://www.irs.gov/pub/irs-pdf/f8038gc.pdf>

This Explanation of Contents is prepared as an accommodation to the parties named herein. It is intended as an example of some of the documents that Caterpillar Financial Services Corporation, in its reasonable judgment, may require and is not intended to constitute legal advice. Please engage and use your own legal counsel. We understand that the laws of the various states are different so nothing herein shall be construed as a warranty or representation that the documents listed herein are the only documents that may be required in any particular transaction or that any particular transaction, if documented in accordance with this Explanation of Contents, will be a valid, binding and enforceable obligation enforceable against the parties named herein in accordance with the terms of the documents named herein.

These documents were prepared especially for:

COUNTY OF HIDALGO
2818 S BUSINESS HIGHWAY 281
EDINBURG, TX 78539

Dealer: HOLT TEXAS, LTD, E140
Date: 12/15/2015 Time: 12:51 PM
Comments:

Customer Executed Documents

Comments

- Lease Purchase Document
- Delivery Certification
- Insurance Verification
- 8038G or 8038GC
- Advance Payment (cross out if N/A)
- Customer Information Verification
- Tax Exemption Certificate
- Any necessary Riders/Amendments
- Lessee's Resolution + Minutes of Meeting **OR**
- Opinion of Lessee's Counsel
- Copy of Driver's License (Sole Proprietorships and Individuals)

Dealer Executed Documents

Comments

- Purchase Agreement
- Dealer Invoice
- All Credit Conditions Met

**If any of these documents are altered, or if the Buyer wishes to add or delete documents, please contact your CFSC Credit Analyst to obtain acceptance of any and all changes.*



Governmental Equipment Lease-Purchase Agreement
Transaction Number 2758156



1. PARTIES

LESSOR ("we", "us", or "our"):
 CATERPILLAR FINANCIAL SERVICES CORPORATION
 2120 West End Avenue
 Nashville, TN 37203

LESSEE ("you" or "your"):
 COUNTY OF HIDALGO
 2818 S BUSINESS HIGHWAY 281
 EDINBURG, TX 78539

In reliance on your selection of the equipment described below (each a "Unit"), we have agreed to acquire and lease the Units to you, subject to the terms of this Lease. Until this Lease has been signed by our duly authorized representative, it will constitute an offer by you to enter into this Lease with us on the terms stated herein.

2. DESCRIPTION OF THE UNITS

DESCRIPTION OF UNITS Whether the Unit is new or used, the model number, the manufacturer, and the model name.	SERIAL/VIN Unique ID number for this Unit.	ANNUAL LEASE PAYMENT This is due per period, as stated below in section 3.	FINAL LEASE PAYMENT	DELIVERY DATE Enter date machine was delivered to you
(1) New CT660 Caterpillar On-Highway Truck		\$24,709.27	\$1.00	_____
(1) New CT660 Caterpillar On-Highway Truck		\$24,709.27	\$1.00	_____

TERMS AND CONDITIONS

- Lease Payments; Current Expense** You will pay us the lease payments, including the final lease payment set forth above (collectively, the "Lease Payments"). Lease Payments will be paid by you to us as follows: a first payment of \$49,418.54 will be paid in advance and the balance of the Lease Payments is payable in 7 successive annual payments of which the first 6 payments are in the amount of \$49,418.54 each, and the last payment is in the amount of \$2.00 plus all other amounts then owing under this Lease, with the first Lease Payment due on the date that we sign this Lease and subsequent Lease Payments due on a like date of each year thereafter until paid in full. A portion of each Lease Payment constitutes interest and the balance of each Lease Payment is payment of principal. The Lease Payments will be due without demand. You will pay the Lease Payments to us at Caterpillar Financial Services Corporation; PO Box 730681; Dallas, TX 75373-0681 or such other location that we designate in writing. Your obligations, including your obligation to pay the Lease Payments due in any fiscal year, will constitute a current expense of yours for such fiscal year and will not constitute an indebtedness of yours within the meaning of the constitution and laws of the State in which you are located (the "State"). Nothing in this Agreement will constitute a pledge by you of any taxes or other moneys, other than moneys lawfully appropriated from time to time for the payment of the "Payments" (as defined in the last sentence of this Section) owing under this Agreement. You agree that, except as provided in Section 7, your duties and liabilities under this Agreement and any associated documents are absolute and unconditional. Your payment and performance obligations are not subject to cancellation, reduction, or setoff for any reason. You agree to settle all claims, defenses, setoffs, counterclaims and other disputes you may have with the Supplier, the manufacturer of the Unit, or any other third party directly with the Supplier, the manufacturer or the third party, as the case may be. You will not assert, allege or make any such claim, defense, setoff, counterclaim or other dispute against us or with respect to the payments due us under this Agreement. As used in this Agreement, "Payments" will mean the Lease Payments and any other amounts required to be paid by you.

The portion of the Lease Payments constituting principal will bear interest (computed on the basis of actual days elapsed in a 360 day year) at the rate of 3.20% per annum.
- Late Charges** If we do not receive a Payment on the date it is due, you will pay to us, on demand, a late payment charge equal to the lesser of five percent (5%) of such Payment or the highest charge allowed by law.
- Security Interest** To secure your obligations under this Agreement, you grant us a continuing first priority security interest in each Unit (including any Additional Collateral), including all attachments, accessories and optional features (whether or not installed on such Units) and all substitutions, replacements, additions, and accessions, and the proceeds of all the foregoing, including, but not limited to, proceeds in the form of chattel paper. You authorize the filing of such financing statements and will, at your expense, do any act and execute, acknowledge, deliver, file, register and record any document, which we deem desirable to protect our security interest in each Unit and our rights and benefits under this Agreement. You, at your expense, will protect and defend our security interest in the Units and will keep the Units free and clear of any and all claims, liens, encumbrances and legal processes however and whenever arising.
- Disclaimer of Warranties** WE HAVE NOT MADE AND DO NOT MAKE ANY WARRANTY, REPRESENTATION OR COVENANT OF ANY KIND, EXPRESS OR IMPLIED, AS TO THE UNITS. AS TO US, YOUR LEASE AND PURCHASE OF THE UNITS WILL BE ON AN "AS IS" AND "WHERE IS" BASIS AND "WITH ALL FAULTS". Nothing in this Agreement is intended to limit, waive, abridge or otherwise modify any rights, claims, or causes of action that you may have against any person or entity other than us.
- Non-Appropriation** You have an immediate need for, and expect to make immediate use of, the Units. This need is not temporary or expected to diminish during the term of this Agreement. To that end, you agree, to the extent permitted by law, to include in your budget for the current and each successive fiscal year during the term of this Agreement, a sufficient amount to permit you to discharge your obligations under this Agreement. Notwithstanding any provision of this Agreement to the contrary, we and you agree that, in the event that prior to the commencement of any of your fiscal years you do not have sufficient funds appropriated to make the Payments due under this Agreement for such fiscal year, you will have the option of terminating this Agreement as of the date of the commencement of such fiscal year by giving us sixty (60) days prior written notice of your intent to terminate. No later than the last day of the last fiscal year for which appropriations were made for the Payments (the "Return Date"), you will



return to us all of the Units, at your sole expense, in accordance with Section 14, and this Agreement will terminate on the Return Date without penalty or expense to you and you will not be obligated to pay the Lease Payments beyond such fiscal year; provided, that you will pay all Payments for which moneys have been appropriated or are otherwise available; and provided further, that you will pay month to-month rent at the rate set by us for each month or part of any month that you fail to return the Units.

8. Tax Warranty You will, at all times, do and perform all acts and things necessary and within your control to ensure that the interest component of the Lease Payments will, for the purposes of Federal income taxation, be excluded from our gross income. You will not permit or cause your obligations under this Agreement to be guaranteed by the Federal Government or any branch or instrumentality of the Federal Government. You will use the Units for the purpose of performing one or more of your governmental functions consistent with the scope of your authority and not in any trade or business carried on by a person other than you. You will report this Agreement to the Internal Revenue Service by filing Form 8038G, 8038GC or 8038, as applicable. Failure to do so will cause this Agreement to lose its tax exempt status. You agree that if the appropriate form is not filed, the interest rate payable under this Agreement will be raised to the equivalent taxable interest rate. If the use, possession or acquisition of the Units is determined to be subject to taxation, you will pay when due all taxes and governmental charges assessed or levied against or with respect to the Units.

9. Assignment You may not, without our prior written consent, by operation of law or otherwise, assign, transfer, pledge, hypothecate or otherwise dispose of your right, title and interest in and to this Agreement and/or the Units and/or grant or assign a security interest in this Agreement and/or the Units, in whole or in part. We may not transfer, sell, assign, pledge, hypothecate, or otherwise dispose of our right, title and interest in and to this Agreement and/or the Units and/or grant or assign a security interest in this Agreement and/or the Units, in whole or in part.

10. Indemnity To the extent permitted by law, you assume liability for, agree to and do indemnify, protect and hold harmless us and our employees, officers, directors and agents from and against any and all liabilities, obligations, losses, damages, injuries, claims, demands, penalties, actions, costs and expenses (including reasonable attorney's fees), of whatsoever kind and nature, arising out of the use, condition (including, but not limited to, latent and other defects and whether or not discoverable by you or us), operation, ownership, selection, delivery, storage, leasing or return of any item of Units, regardless of where, how and by whom operated, or any failure on your part to accept the Units or otherwise to perform or comply with any conditions of this Agreement.

11. Insurance; Loss and Damage You bear the entire risk of loss, theft, destruction or damage to the Units from any cause whatsoever. No loss, theft, destruction or damage of the Units will relieve you of the obligation to make Lease Payments or to perform any obligation owing under this Agreement. You agree to keep the Units insured to protect all of our interests, at your expense, for such risks, in such amounts, in such forms and with such companies as we may require, including but not limited to fire and extended coverage insurance, explosion and collision coverage, and personal liability, property damage liability, and environmental liability insurance. Any insurance policies relating to loss or damage to the Units will name us as loss payee as our interests may appear and the proceeds may be applied toward the replacement or repair of the Units or the satisfaction of the Payments due under this Agreement. You agree to use, operate and maintain the Units in accordance with all laws, regulations and ordinances and in accordance with the provision of any policies of insurance covering the Units, and will not rent the Units or permit the Units to be used by anyone other than you. You agree to keep the Units in good repair, working order and condition and house the Units in suitable shelter, and to permit us or our assigns to inspect the Units at any time and to otherwise protect our interests in the Units. If any Unit is customarily covered by a maintenance agreement, you will furnish us with a maintenance agreement by a party acceptable to us.

If any hazardous property or material will be transported with a Unit, you will provide and maintain environmental liability coverage at all times during the term of this Agreement, at your expense and in your own name as primary insured, for the greater of \$5,000,000 or the statutory minimum coverage.

This environmental liability coverage will have a deductible amount reasonably acceptable to us and will provide a waiver of subrogation by the

insurance carrier in favor of us. The insurance carrier must have a minimum rating of A- by A.M. Best or a credit rating of "BBB" by Standard & Poor's or Fitch with an A.M. Best Financial Size Category of 7 or higher.

12. Default; Remedies An "Event of Default" will occur if (a) you fail to pay any Payment when due and such failure continues for ten (10) days after the due date for such Payment or (b) you fail to perform or observe any other covenant, condition, or agreement to be performed or observed by you under this Agreement and such failure is not cured within twenty (20) days after written notice of such failure from us. Upon an Event of Default, we will have all rights and remedies available under applicable law. In addition, we may declare all Lease Payments due or to become due during the fiscal year in which the Event of Default occurs to be immediately due and payable by you and/or we may repossess the Units by giving you written notice to deliver the Units to us in the manner provided in Section 14, or in the event you fail to do so within ten (10) days after receipt of such notice, and subject to all applicable laws, we may enter upon your premises and take possession of the Units. Further, if we financed your obligations under any extended warranty agreement such as an Equipment Protection Plan, Extended Service Contract, Extended Warranty, Customer Service Agreement, Total Maintenance and Repair Agreement or similar agreement, we may cancel such extended warranty agreement on your behalf and receive the refund of the extended warranty agreement fees that we financed but had not received from you as of the date of the Event of Default.

13. Miscellaneous This Agreement may not be modified, amended, altered or changed except by a written agreement signed by you and us. In the event any provision of this Agreement is found invalid or unenforceable, the remaining provisions will remain in full force and effect. This Agreement, together with exhibits, constitutes the entire agreement between you and us and supersedes all prior and contemporaneous writings, understandings, agreements, solicitations, documents and representations, expressed or implied. Any terms and conditions of any purchase order or other documents submitted by you in connection with this Agreement which are in addition to or inconsistent with the terms and conditions of this Agreement will not be binding on us and will not apply to this Agreement. You agree that we may correct patent errors in this Agreement and fill in blanks including, for example, correcting or filling in serial numbers, VIN numbers, and dates. Any notices required to be given under this Agreement will be given to the parties in writing and by certified mail at the address provided in this Agreement, or to such other addresses as each party may substitute by notice to the other, which notice will be effective upon its receipt.

14. Title; Return of Units Notwithstanding our designation as "Lessor", we do not own the Units. Legal title to the Units will be in you so long as an Event of Default has not occurred and you have not exercised your right of non-appropriation. If an Event of Default occurs or if you non-appropriate, full and unencumbered title to the Units will pass to us without the necessity of further action by the parties, and you will have no further interest in the Units. If we are entitled to obtain possession of any Units or if you are obligated at any time to return any Units, then (a) title to the Units will vest in us immediately, and (b) you will, at your expense, promptly deliver the Unit to us properly protected and in the condition required by Section 11. You will deliver the Unit, at our option, (i) to the nearest Caterpillar dealer selling equipment of the same type as the Unit; or (ii) on board a carrier named by us and shipping the Unit, freight collect, to a destination designated by us. If the Unit is not in the condition required by Section 11, you must pay us, on demand, all costs and expenses incurred by us to bring the Unit into the required condition. Until the Units are returned as required above, all terms of this Agreement will remain in full force and effect including, without limitation, your obligation to pay Lease Payments and to insure the Units.

15. Other Documents In connection with the execution of this Agreement, you will cause to be delivered to us (i) either (A) a certified copy of your authorizing resolution substantially in the form attached as Attachment B and a copy of the minutes of the relevant meeting or (B) an opinion of your counsel substantially in the form attached as Attachment C; (ii) a Verification of Insurance substantially in the form attached to this Agreement; (iii) a copy of the signed Form filed with the Internal Revenue Service required in Section 8 above as Attachment D; and (iv) any other documents or items required by us.

16. Applicable Law This Agreement will be governed by the laws, excluding the laws relating to the choice of law, of the State in which you are located.

SIGNATURES

LESSOR
CATERPILLAR FINANCIAL SERVICES CORPORATION

Signature _____

Name (print) _____

Title _____

Date _____

LESSEE
COUNTY OF HIDALGO

Signature _____

Name (print) _____

Title _____

Date _____

CUSTOMER INFORMATION VERIFICATION
(Required Document)



In our efforts to continue providing timely customer service, we need your assistance confirming the following information. If any information is incorrect or missing, please note the necessary changes below and return this form with your signed documents. In addition, please review the Data Privacy Notice stated below. Thank you in advance for your cooperation.

Purchase Order # for new contract: _____

Current Information on file **Please make corrections here**

Customer Name: COUNTY OF HIDALGO _____
Physical Address: 2818 S BUSINESS HIGHWAY 281 _____
EDINBURG, TX 78539 _____
Mailing Address: 2818 S BUSINESS HIGHWAY 281 _____
EDINBURG, TX 78539 _____
Equipment Location: 1/2MILE W FM 1427 MILITARY HWY _____
PENITAS, TX 78576, HIDALGO _____
Business Phone: (956)292-7025 _____
E-mail Address: SERGIO.CRUZ@CO.HIDALGO.TX.US _____
Accounts Payable Contact Name and Phone: _____

Tax Information
Sales Tax Rate: 0 _____

(Please note: Sales Tax Rate, includes all applicable State, County, and City sales tax)

City Limits Asset outside the City Limits? Yes ___ No ___

Tax Exemption Status

Please indicate if you are tax exempt. Exempt*
 Non-Exempt

**A Tax Exemption Certificate is required for all tax exempt customers. If you are tax exempt - please enclose a current tax exemption certificate to be returned with your documents.*

The information above has been reviewed and is accurate to the best of my knowledge with exception of any corrections as noted.

*Should the above changes apply to ALL of your contracts, OR for this contract ONLY?

- ALL CONTRACTS
- THIS CONTRACT ONLY

THE ABOVE INFORMATION HAS BEEN REVIEWED AND IS ACCURATE TO THE BEST OF MY KNOWLEDGE WITH EXCEPTION OF ANY CORRECTIONS AS NOTED.

Customer Initials

Data Privacy Notice: *This notice pertains to personal data supplied in connection with your credit application. By providing your information to Caterpillar Inc. or any of its subsidiaries or affiliates, including Caterpillar Financial Services Corporation (collectively "Caterpillar"), you are agreeing that the information may be shared among Caterpillar and its partners and dealers, and used to process your applications for credit and other orders and to improve or market Caterpillar products and services. If you have any questions pertaining to this notice, please contact the Data Privacy Coordinator at 615-341-8222.*



GOVERNMENTAL ENTITY RESOLUTION TO LEASE, PURCHASE AND/OR FINANCE

WHEREAS, the laws of the State of Texas (the "State") authorize COUNTY OF HIDALGO (the "Governmental Entity"), a duly organized political subdivision, municipal corporation or similar public entity of the State, to purchase, acquire and lease personal property for the benefit of the Governmental Entity and its inhabitants and to enter into any necessary contracts; and

the Governmental Entity wants to lease, purchase and/or finance equipment ("Equipment") from Caterpillar Financial Services Corporation and/or an authorized Caterpillar dealer ("Caterpillar") by entering into that certain Governmental Equipment Lease-Purchase Agreement (the "Agreement") with Caterpillar; and

the form of the Agreement has been presented to the governing body of the Governmental Entity at this meeting.

RESOLVED, that: (i) the Agreement, including all schedules and exhibits attached to the Agreement, is approved in substantially the form presented at the meeting, with any Approved Changes (as defined below), (ii) the Governmental Entity enter into the Agreement with Caterpillar and (iii) the Agreement is adopted as a binding obligation of the Governmental Entity; and

that changes may later be made to the Agreement if the changes are approved by the Governmental Entity's counsel or members of the governing body of the Governmental Entity signing the Agreement (the "Approved Changes") and that the signing of the Agreement and any related documents is conclusive evidence of the approval of the changes; and

that the persons listed below, who are the incumbent officers of the Governmental Entity (the "Authorized Persons"):

Name (Print or Type)	Title (Print or Type)
_____	_____
_____	_____
_____	_____

be, and each is, authorized, directed and empowered, on behalf of the Governmental Entity, to (i) sign and deliver to Caterpillar, and its successors and assigns, the Agreement and any related documents, and (ii) take or cause to be taken all actions he/she deems necessary or advisable to acquire the Equipment, including the signing and delivery of the Agreement and related documents; and

that the Secretary/Clerk of the Governmental Entity is authorized to attest to these resolutions and affix the seal of the Governmental Entity to the Agreement, these resolutions, and any related documents; and

that nothing in these resolutions, the Agreement or any other document imposes a pecuniary liability or charge upon the general credit of the Governmental Entity or against its taxing power, except to the extent that the payments payable under the Agreement are special limited obligations of the Governmental Entity as provided in the Agreement; and

that a breach of these resolutions, the Agreement or any related document will not impose any pecuniary liability upon the Governmental Entity or any charge upon its general credit or against its taxing power, except to the extent that the payments payable under the Agreement are special limited obligations of the Governmental Entity as provided in the Agreement; and

that the authority granted by these resolutions will apply equally and with the same effect to the successors in office of the Authorized Persons.

I, _____, _____ of COUNTY OF HIDALGO, certify that the resolutions above are a full, true and correct copy of resolutions of the governing body of the Governmental Entity. I also certify that the resolutions were duly and regularly passed and adopted at a meeting of the governing body of the Governmental Entity. I also certify that such meeting was duly and regularly called and held in all respects as required by law, at the Governmental Entity's office. I also certify that at such meeting, a majority of the governing body of the Governmental Entity was present and voted in favor of these resolutions.

I also certify that these resolutions are still in full force and effect and have not been amended or revoked.

IN WITNESS of these resolutions, the officer named below executes this document on behalf of the Governmental Entity.

Signature: _____
Title: _____
Date: _____





Verification of Insurance

Lessee:

LESSOR (we):

CATERPILLAR FINANCIAL SERVICES CORPORATION
2120 West End Avenue
Nashville, TN 37203-0001

LESSEE (you):

COUNTY OF HIDALGO
2818 S BUSINESS HIGHWAY 281
EDINBURG, TX 78539

Subject: Insurance Coverage Requirements

1. The above-named Lessor and Lessee have entered into Governmental Equipment Lease-Purchase Agreement Transaction Number 2758156 (the "Agreement"). In accordance with the Agreement, Lessee has instructed the insurance agent named below:

Company: _____

Address: _____

Phone No: _____

Agent's Name: _____

to issue:

a. All Risk Physical Damage Insurance on the Equipment (as defined in the Agreement) evidenced by a Certificate of Insurance and Long Form Loss Payable Clause naming the Lessor and/or its Assignee, as loss payee.

The Coverage Required: the aggregate purchase price for the Equipment.

b. Public Liability Insurance evidenced by a Certificate of Insurance, naming the Lessor and/or its Assignee as Additional Insured, with a minimum of \$1,000,000 per occurrence is required.

2. Proof of insurance coverage will be provided to Lessor or its Assignee prior to the time the Equipment is delivered to Lessee..

Table with 5 columns: Model #, Equipment Description, Serial #, VIN #, Value Including Tax. Contains two rows of equipment data.

SIGNATURES

LESSEE

COUNTY OF HIDALGO

Signature _____

Name (print) _____

Title _____

Date _____



Opinion of Counsel

**Re: Governmental Equipment Lease-Purchase Agreement (Transaction Number 2758156) (the "Lease")
Between COUNTY OF HIDALGO("Lessee") and Caterpillar Financial Services Corporation ("Lessor")**

Sir/Madam:

I am an attorney for Lessee, and in that capacity I am familiar with the above-referenced transaction, the Lease, and all other documents pertaining to the Lease (the Lease and such other documents pertaining to the Lease being referred to as the "Lease Agreements").

Based on my examination of these and such other documents, records and papers and matters of fact and laws as I deemed to be relevant and necessary as the basis for my opinion set forth below, upon which opinion Lessee and any subsequent assignee of Lessee's interest may rely, it is my opinion that:

1. Lessee is a fully constituted political subdivision or agency duly organized and existing under the Constitution and laws of the State of Texas (the "State"), and is authorized by such Constitution and laws (i) to enter into the transaction contemplated by the Lease Agreements and (ii) to carry out its obligations thereunder.
2. The Lease Agreements (i) have been duly authorized, executed and delivered by Lessee and (ii) constitute valid, legal and binding obligations and agreements of Lessee, enforceable against Lessee in accordance with their terms, assuming due authorization and execution thereof by Lessor.
3. No further approval, license, consent, authorization or withholding of objections is required from any federal, state or local governmental authority with respect to the entering into or performance by Lessee of the Lease Agreements and the transactions contemplated by the Lease Agreements.
4. Lessee has sufficient appropriations or other funds available to pay all amounts due under the Lease Agreements for the current fiscal year.
5. The interest payable to Lessor by Lessee under the Lease Agreements is exempt from federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended.
6. The entering into and performance of the Lease Agreements will not (i) conflict with, or constitute a breach or violation of, any judgment, consent decree, order, law, regulation, bond, indenture or lease applicable to Lessee, or (ii) result in any breach of, or constitute a default under, or result in the creation of, any lien, charge, security interest or other encumbrance upon any assets of Lessee or the Units (as defined in the Lease) pursuant to any indenture, mortgage, deed of trust, bank loan, credit agreement or other instrument to which Lessee is a party, or by which it or its assets may be bound.
7. No litigation or proceeding is pending or, to the best of my knowledge, threatened to, or which may, (a) restrain or enjoin the execution, delivery or performance by Lessee of the Lease Agreements, (b) in any way contest the validity of the Lease Agreements, (c) contest or question (i) the creation or existence of Lessee or its governing body or (ii) the authority or ability of Lessee to execute or deliver the Lease Agreements or to comply with or perform its obligations under the Lease Agreements. There is no litigation or proceeding pending or, to the best of my knowledge, threatened that seeks to or could restrain or enjoin Lessee from annually appropriating sufficient funds to pay the Lease Payments (as defined in the Lease) or other amounts contemplated by the Lease Agreements. In addition, I am not aware of any facts or circumstances which would give rise to any litigation or proceeding described in this paragraph.
8. The Units are personal property and, when subjected to use by Lessee, will not be or become fixtures under the laws of the State.
9. The authorization, approval and execution of the Lease Agreements, and all other proceedings related to the transactions contemplated by the Lease Agreements, have been performed in accordance with all applicable open meeting, public records, public bidding and all other applicable laws, rules and regulations of the State.
10. The appropriation of moneys to pay the Lease Payments coming due under the Lease and any other amounts contemplated by the Lease Agreements does not and will not result in the violation of any constitutional, statutory or other limitation relating to the manner, form or amount of indebtedness which may be incurred by Lessee.
11. The Lessor will have a perfected security interest in the Units upon the filing of an executed UCC-1 or other financing statement at the time of acceptance of the Units with the Secretary of State for the State.

SIGNATURE

Name (PRINT): _____

Date: _____

Signature: _____

Address: _____

Title: _____



**Amendment to Governmental Lease-Purchase Agreement (Texas)
Transaction Number 2758156**



This Amendment (the "Amendment"), dated _____ (the "Effective Date"), to the Governmental Lease-Purchase Agreement (the "Agreement") for the Transaction Number set out above is by and between the parties identified below.

1. PARTIES

LESSOR:

LESSEE:

CATERPILLAR FINANCIAL SERVICES CORPORATION
2120 West End Avenue
Nashville, TN 37203-0001

COUNTY OF HIDALGO
2818 S BUSINESS HIGHWAY 281
EDINBURG, TX 78539

2. TERMS AND CONDITIONS

- a) Capitalized terms used but not defined herein will have the meaning given them in the Agreement.
- b) Except as provided herein, the Agreement will remain unchanged and in full force and effect in accordance with its terms. Any additional modifications are null and void unless approved in writing by you and us. Nothing herein will be deemed to be a waiver or amendment of any other provision contained in the Agreement or any of our rights or remedies under the Agreement.
- c) As of the Effective Date, the Agreement is amended as set forth below.

3. AMENDMENT

Section 7 of the Agreement is amended and restated in its entirety as follows:

"7. **Annual Right of Termination.** You may terminate this Agreement as of the last day of any fiscal year during the term hereof by giving us sixty (60) days prior written notice (although the failure to give such notice will not affect your right to terminate this Agreement as provided herein). In the event you terminate this Agreement during the term hereof pursuant to this Section, you will, no later than the last day of such fiscal year, return to us all, but not less than all, of the Units, at your sole expense and in accordance with the terms of this Agreement. Upon such return, this Agreement will terminate as of the last day of such fiscal year (the "Termination Date"). Thereafter, you will not incur any additional obligations under this Agreement, provided, however, that you must pay all Lease Payments and other Payments due prior to the Termination Date or attributable to such period, and provided, further, that you must pay month-to-month lease payments at the rate set forth in this Agreement for each month or part thereof that you fail to return the Units."

SIGNATURES

CATERPILLAR FINANCIAL SERVICES CORPORATION

COUNTY OF HIDALGO

Signature _____

Signature _____

Name (print) _____

Name (print) _____

Title _____

Title _____

Date _____

Date _____



Caterpillar Financial Services Corporation

INVOICE

Page	Date	Invoice No.
1	12/15/2015	LSAP-414936405-1

COUNTY OF HIDALGO
2818 S BUSINESS HIGHWAY 281
EDINBURG, TX 78539

Description	Serial	VIN	Due Date	Pmt. No.	Amount
(1) CT660 Caterpillar On-Highway Truck			Upon Receipt.	1	\$24,709.27
Sales and Use Tax					\$0.00
Document Fee					\$0.00
Filing Fee					\$0.00
Stamp Fee					\$0.00
Other Fees					\$0.00
Freight Fee					\$0.00

WITHOUT THE APPROPRIATE TAX EXEMPTION CERTIFICATE, APPLICABLE SALES AND/OR USE TAX WILL BE CHARGED.

PLEASE PAY THIS AMOUNT \$ \$24,709.27

Invoice No.	Total Enclosed
LSAP-414936405-1	\$

COUNTY OF HIDALGO
2818 S BUSINESS HIGHWAY 281
EDINBURG, TX 78539

Remit To: Caterpillar Financial Services Corporation
5th Floor Document Services
Doc Specialist: HOLT TEXAS, LTD
2120 West End Ave.
Nashville, TN 37203

RETURN INVOICE AND CHECK FOR SPECIFIED PAYMENT(S) WITH SIGNED DOCUMENTS.

Your check will be cashed by Caterpillar Financial Services Corporation (CFSC) upon receipt, but that act will not constitute acceptance by CFSC of the Loan, Lease or Schedule. If CFSC accepts and executes the Loan, Lease or Schedule, the proceeds of this check will be applied to the specified payments. If CFSC does not accept the Loan, Lease or Schedule, CFSC will return an amount equal to this check.



Caterpillar Financial Services Corporation

INVOICE

Page	Date	Invoice No.
1	12/15/2015	LSAP-414936405-2

COUNTY OF HIDALGO
 2818 S BUSINESS HIGHWAY 281
 EDINBURG, TX 78539

Description	Serial	VIN	Due Date	Pmt. No.	Amount
(1) CT660 Caterpillar On-Highway Truck			Upon Receipt.	1	\$24,709.27
Sales and Use Tax					\$0.00
WITHOUT THE APPROPRIATE TAX EXEMPTION CERTIFICATE, APPLICABLE SALES AND/OR USE TAX WILL BE CHARGED.					

PLEASE PAY THIS AMOUNT \$ \$24,709.27

Invoice No.	Total Enclosed
LSAP-414936405-2	\$

COUNTY OF HIDALGO
 2818 S BUSINESS HIGHWAY 281
 EDINBURG, TX 78539

Remit To: Caterpillar Financial Services Corporation
 5th Floor Document Services
 Doc Specialist: HOLT TEXAS, LTD
 2120 West End Ave.
 Nashville, TN 37203

RETURN INVOICE AND CHECK FOR SPECIFIED PAYMENT(S) WITH SIGNED DOCUMENTS.
 Your check will be cashed by Caterpillar Financial Services Corporation (CFSC) upon receipt, but that act will not constitute acceptance by CFSC of the Loan, Lease or Schedule. If CFSC accepts and executes the Loan, Lease or Schedule, the proceeds of this check will be applied to the specified payments. If CFSC does not accept the Loan, Lease or Schedule, CFSC will return an amount equal to this check.

Meeting Minutes

HOLT TEXAS, LTD
HOLT AVE @ SOUTH W W WHITE RD
P.O. BOX 207916
SAN ANTONIO TX 782207916

Reference:

COUNTY OF HIDALGO

We are requesting a copy of the minutes of the appropriation meeting during which the funds for this deal were allocated.

A copy of this information is necessary to complete the documentation package and to fund the deal. Your ability to return a complete package will ensure timely payment to you.

Thank you for your assistance.

CATERPILLAR FINANCIAL SERVICES CORPORATION
DOCUMENTATION DEPARTMENT





This Purchase Agreement is between **HOLT TEXAS, LTD** ("Vendor") and **Caterpillar Financial Services Corporation** ("Cat Financial"). Vendor agrees to sell to Cat Financial and Cat Financial agrees to buy from Vendor the equipment described below (the "Unit(s)"), subject to the terms and conditions set forth below and on the reverse side hereof.

<u>Description of Unit(s)</u>	<u>Serial#</u>	<u>VIN #</u>	<u>Freight</u>	<u>Total Price</u>
(1) CT660 New Caterpillar On-Highway Truck			\$0.00	\$157,507.11
(1) CT660 New Caterpillar On-Highway Truck			\$0.00	\$157,507.11

Lessee:
COUNTY OF HIDALGO
2818 S BUSINESS HIGHWAY 281
EDINBURG TX 78539

Subtotal	\$315,014.22
Federal Excise Tax	0.00
Other Tax	0.00
Total Purchase Price	\$315,014.22
Unit(s) Delivery Point:	
1/2MILE W FM 1427 MILITARY HWY, PENITAS, TX 78576, HIDALGO	

See next page for additional terms and conditions.

SIGNATURES

CATERPILLAR FINANCIAL SERVICES CORPORATION

HOLT TEXAS, LTD

Signature _____
Name (print) _____
Title _____
Date _____

Signature _____
Name (print) _____
Title _____
Date _____

1. The lessee named on the front hereof (the "Lessee") has selected the Unit(s), instructed Cat Financial to purchase the Unit(s) from Vendor, and agreed to lease the Unit(s) from Cat Financial.
2. Cat Financial (or its assignee) will have no obligation hereunder (and any sums previously paid by Cat Financial to Vendor with respect to the Unit(s) shall be promptly refunded to Cat Financial) unless (a) all of the conditions set forth in Section 1.3 (if a master lease agreement) or Section 1 (if a non master lease agreement) of the lease with the Lessee covering the Unit(s) have been timely fulfilled and (b) the Lessee has not communicated to Cat Financial (or its assignee), prior to "Delivery" (as hereinafter defined) of the Unit(s), an intent not to lease the Unit(s) from Cat Financial. All conditions specified in this paragraph shall be deemed timely fulfilled unless prior to Delivery of the Unit(s), Cat Financial (or its assignee) shall notify Vendor to the contrary in writing, which shall include fax or email. "Delivery" shall mean the later of the time (a) Cat Financial executes this Purchase Agreement or (b) the Lessee or its agent takes control and/or physical possession of the Unit(s).
3. Upon timely satisfaction of the conditions specified in Paragraph 2 above, ownership, title and risk of loss to the Unit(s) shall transfer to Cat Financial (or its assignee) upon Delivery of the Unit(s).
4. Vendor warrants that (a) upon Delivery of the Unit(s), Cat Financial (or its assignee) will be the owner of and have absolute title to the Unit(s) free and clear of all claims, liens, security interests and encumbrances and the description of the Unit(s) set forth herein is correct and (b) the Unit Transaction Price set forth on the front hereof for each unit of Unit(s) leased under a lease is equal to such Unit(s)'s fair market value.
5. Vendor shall forever warrant and defend the sale of the Unit(s) to Cat Financial (or its assignee), its successors and assigns, against any person claiming an interest in the Unit(s).
6. Provided that no event of default exists under any agreement between Lessee and Cat Financial and upon timely satisfaction of the conditions specified in Paragraph 2 above, and unless otherwise agreed to in this Purchase Agreement, Cat Financial (or its assignee) shall pay Vendor the total Purchase Price set forth on the front hereof for the Unit(s) within three business days following (a) the receipt and approval by Cat Financial of all documentation deemed necessary by Cat Financial in connection with the lease transaction and (b) all credit conditions have been satisfied.
7. Vendor shall deliver the Unit(s) to the Lessee at the delivery point set forth on the front hereof.
8. This Purchase Agreement may be assigned by Cat Financial to a third party. Vendor hereby consents to any such assignment.
9. This Purchase Agreement shall become effective only upon execution by Cat Financial.

Caterpillar Financial Services Corporation

Finance Proposal

2016-023

TWO (2) CT660S-TRUCK (PCT 3)

CUSTOMER

Name: COUNTY OF HIDALGO

Address 2818 S BUSINESS HIGHWAY 281
 City EDINBURG
 State TX
 Zip code 78539
 County HIDALGO

Good if:
 Acknowledged by Mar-02-16
 Funded by Mar-02-16

DEALER

HOLT TEXAS, LTD
 Sales person MARK BRUNNEMANN
 Dealer contact
 Telephone

Quote number 493-6405
 Fax number
 Quote date 12/08/2015
 Quote time 13:31:53

FINANCE PROPOSAL

This is Caterpillar Financial Services Corporation's confirmation of the following finance proposal. This is a proposal only and is subject to credit approval, execution of documentation, and execution and approval of the application survey.

Financing type GOVERNMENTAL
 Number of payments 7 Annual
 Payments in Advance
 Quoted by e095mm
 Report created by e140tlc

	Model	Ann. Miles	Qty	Sale Price	Amount Financed	Payment	Balloon	Fixed Rate
New	CT660	50000	1	157,507.11	157,682.11	24,709.27	1.00	3.2000
New	CT660	50000	1	157,507.11	157,682.11	24,709.27	1.00	3.2000
			2	315,014.22	315,364.22	49,418.54	2.00	3.2000

Special Conditions:

CT660

Model Year - 2017, Standard Environment; Major Attachments-Steel Wheels, Manual Transmission, Tandem Axle, 44-46K Rear Axle, 18-20K Front Axle, Walking Beam Suspension, C13 Engine, Air Conditioner, Day Cab; Body - Trailer Type-Roll off/Hooklift

CT660

Model Year - 2017, Standard Environment; Major Attachments-Steel Wheels, Manual Transmission, Tandem Axle, 44-46K Rear Axle, 18-20K Front Axle, Walking Beam Suspension, C13 Engine, Air Conditioner, Day Cab; Body - Trailer Type-Roll off/Hooklift

CONDITIONS

Insurance: The customer must provide evidence of physical damage and liability insurance in an amount and from an insurance carrier satisfactory to CFSC. CFSC must be named on the policies, as loss payee and additional insured, as applicable, and a certificate of insurance, in form and substance acceptable to CFSC, must be provided to CFSC.

Taxes: All taxes are the responsibility of the customer and may or may not be included in the above payment amount.

Equipment: The equipment cannot be delivered until all documents are executed by CFSC. All equipment must reside in the United States at all times.

Approval: This proposal is subject to, among other things, final pricing, credit approval and document approval by CFSC.

The terms and conditions outlined herein are not all-inclusive and are based upon information provided to date. This proposal may be withdrawn or modified by Lessor at anytime. This proposal does not represent an offer or commitment by CFSC to enter into a transaction or to provide financing, and does not create any obligation for CFSC. A commitment to enter into the transaction described herein may only be extended by CFSC after this transaction has been approved by all appropriate credit and other authorities within CFSC.

Please indicate your acceptance of this proposal by executing this proposal and returning it to my attention along with the Proposal Fee at the address below. Please be sure to indicate which financing option you have accepted.

Caterpillar Financial Services Corporation
 2120 West End Avenue, Nashville, TN 37203
 (615)-341-1000

We appreciate the opportunity to provide you a proposal for this transaction.

2016-023

TWO (2) CT660S-TRUCK (PCT 3)

Caterpillar Financial Services Corporation

Finance Proposal

Proposed by:

Acknowledged by:

Caterpillar Financial Services Corporation

COUNTY OF HIDALGO

Date

EXHIBIT 2
Concluding Payment Schedule to
Governmental Agreement

2016-023
TWO (2) CT660S-TRUCK (PCT)

Quote number 493-6405
 Asset #1: "On-Highway Truck" 157,507.11

Dated _____, 20____

between
Caterpillar Financial Services Corporation
 and
COUNTY OF HIDALGO

Description of Unit: 1 Caterpillar CT660

Number of Payments Made	Beginning Balance	Payment Amount	Balloon	Interest 3.20001%	Concluding Payment (*)
1	157,682.11	24,709.27	0.00	0.00	132,972.84
2	132,972.84	24,709.27	0.00	4,255.14	112,518.71
3	112,518.71	24,709.27	0.00	3,600.60	91,410.04
4	91,410.04	24,709.27	0.00	2,925.13	69,625.90
5	69,625.90	24,709.27	0.00	2,228.03	47,144.66
6	47,144.66	24,709.27	0.00	1,508.64	23,944.03
7	23,944.03	24,709.27	0.00	766.21	0.97
8	0.97	0.00	1.00	0.03	0.00
		<u>172,964.89</u>	<u>1.00</u>	<u>15,283.78</u>	

(*) Does not include any rent payment or other amount then due.

Initialed: _____
 (Lessee)

EXHIBIT 2
Concluding Payment Schedule to
Governmental Agreement

2016-023
TWO (2) CT660S-TRUCK (PCT)

Quote number 493-6405
 Asset #2: "On-Highway Truck" 157,507.11

Dated _____, 20__

between
Caterpillar Financial Services Corporation
 and
COUNTY OF HIDALGO

Description of Unit: 1 Caterpillar CT660

Number of Payments Made	Beginning Balance	Payment Amount	Balloon	Interest 3.20001%	Concluding Payment (*)
1	157,682.11	24,709.27	0.00	0.00	132,972.84
2	132,972.84	24,709.27	0.00	4,255.14	112,518.71
3	112,518.71	24,709.27	0.00	3,600.60	91,410.04
4	91,410.04	24,709.27	0.00	2,925.13	69,625.90
5	69,625.90	24,709.27	0.00	2,228.03	47,144.66
6	47,144.66	24,709.27	0.00	1,508.64	23,944.03
7	23,944.03	24,709.27	0.00	766.21	0.97
8	0.97	0.00	1.00	0.03	0.00
		<u>172,964.89</u>	<u>1.00</u>	<u>15,283.78</u>	

(*) Does not include any rent payment or other amount then due.

Initialed: _____
 (Lessee)

2016-023 (2) CT660S Truck (Pct3)



Credit Decision Call Back Report

Credit Decision Call Back

Dealer: HOLT TEXAS LTD.
 Dealer Contact:
 Customer: COUNTY OF HIDALGO
 Submitted: 12/04/2015 11:51:57
 App#'s: 2758156
 Amt Requested: \$210,547.22
 Equipment: CT660, CT660

Conditions / Rejection Information:

1) Copy of MSO and Title Application showing CFSC as 1st lien holder; UCC to be filed on the body 2) VIN for truck & S/N for chassis to be provided and FE to be updated prior to funding (if applicable) 3) Trucks should match the build sheet proposal # 1296-01, dated November 22, 2015, presented by Mark Brunneemann of Holt Texas LTD. 4) Completed Truck Addendum to be returned w/ docs 5) 8038G tax form to be returned with docs 6) Resolution and minutes OR opinion of counsel.

Comments:

Credit Decision	Approved as Submitted
Amt Approved:	\$316,364.22
Dn Pmt/Trade:	\$0.00
Term:	84
Finance Type:	Governmental
By:	Mark Daniel
Phone:	(615) 341-1475
Fax:	
At:	12/07/2015 11:39:44

Caterpillar Financial thanks you for your business!