



**Information &  
Communications  
Technology  
COUNTY OF TULARE  
AGENDA ITEM**

**BOARD OF SUPERVISORS**

KUYLER CROCKER  
District One  
PETE VANDER POEL  
District Two  
AMY SHUKLIAN  
District Three  
EDDIE VALERO  
District Four  
DENNIS TOWNSEND  
District Five

**AGENDA DATE:** November 05, 2019

Public Hearing Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Published Notice Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Advertised Published Notice	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Meet & Confer Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Electronic file(s) has been sent	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Personnel Resolution attached	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
CONTACT PERSON: Steven Murch    PHONE: 559-622-7314				

**SUBJECT:** Approve an agreement with IBM Credit LLC to lease purchase an IBM Business Class Mainframe

**REQUEST(S):**

That the Board of Supervisors:

1. Approve the capital asset expenditure in an amount not to exceed \$210,704 for the purchase of an IBM Business Class Mainframe;
2. Approve the necessary budget adjustments per the attached AUD 308 (4/5ths vote required);
3. Find that the purchase of the mainframe is a sole source purchase and that IBM Credit LLC is the only source that meets the business needs of the Agency based on compatibility and the unique features of the Property tax System;
4. Approve a Lease Purchase Master Agreement with IBM Credit LLC for the purchase and maintenance of an IBM Business Class Mainframe;
5. Recognize that the IBM ServiceElite Master Services Maintenance Agreement, approved and initiated in April 2006 through the County's third-party technology vendor ACS, Inc., is a grandfathered and honored agreement with IBM and County;
6. Approve the addition of the new IBM Business Class Mainframe be included as an Eligible Machine/Product under the IBM ServiceElite Master Services Maintenance Agreement;

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**DATE:** November 05, 2019

7. Approve the attached Lessee's Certificate;
8. Authorize the Chairman of the Board to sign three copies of the Lease Purchase Master Agreement;
9. Authorize the Chairman of the Board to sign three copies of the Lease Purchase Supplement;
10. Authorize the chairman of the Board to sign three copies of the Lessee's Certificate;
11. Authorize the chairman of the Board to sign three copies of the Lease Payment Schedule;
12. Authorize County Counsel to sign the Opinion of Lessee's Counsel as a supplement to the Lease Purchase Master Agreement; and
13. Authorize Peg Yeates, ICT Director, or designee, to sign those lease purchase documents that do not require the signature of the executing official.

**SUMMARY:**

The agreement with IBM Credit LLC will provide hardware installation, licensing and maintenance services from December 1, 2019 through November 30, 2022. This agreement is critical to County of Tulare business involving the maintenance of our countywide Property Management System (PIMS). Additionally, the agreement provides for the long-term lease financing for the acquisition of the mainframe; thirty-six-month lease, with an average estimated interest rate of 3.90%.

Our existing mainframe hardware is at end-of-life. IBM will cease hardware maintenance and licensing support for our existing Z114 series mainframe on January 20, 2020.

Over 90% of the county's General-Purpose Revenues are property tax-based. The county relies on PIMS for the calculation, collection, and distribution of county revenues. Due to the county's dependency on the PIMS application it is imperative that the County of Tulare maintain continuity of property tax system operations.

The purchase of the IBM Business Class Mainframe is a non-competitive sole source procurement due to the compatibility and the unique features of the Property Tax System. No other reasonable alternative source exists that meets the agency requirements. Additionally, this sole source purchase will ensure the least amount of error and/or problematic data transfers of crucial property-tax accounts. The Aumentum Executive Steering Committee have previously vetted and approved the

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purchase and lease terms.

The County currently has an IBM ServiceElite Master Services Maintenance Agreement (MSA), approved and initiated in April 2006 through the County's third-party technology vendor ACS, Inc.; which covers the maintenance terms for any eligible product that is added to the inventory list. The MSA is incorporated is incorporated by reference into the new agreement.

This agreement is on the vendor's boiler plate. The following terms deviate substantively from standard County boilerplate: 1) County shall pay a late charge and interest on all delinquent Lease payments; 2) County shall be responsible for the payment of damages if loss of funding occurs or the property is no returned in a timely manner; 3) County shall maintain insurance insuring the property against loss or damage and provide proof of self-insurance; 4) Any amounts advanced by Lessor shall constitute additional rent and/or interest for the Lease Term and shall be due and payable by the County; 5) Lessor, but not County, may assign and/or reassign the agreement in whole or in part to one or more assignees or subassignees; 6) County shall bear the risk of loss for, shall pay directly, and shall defend Lessor against any and all claims; 7) Lessor shall, upon an Event of Default, may declare all Lease Payments payable, with interest, to the end of the current budget year; and 8) County shall, upon an Event of Default, reimburse to Lessor the cost of collection, including reasonable attorney fees, whether or not suit or action is filed thereon.

**FISCAL IMPACT/FINANCING:**

If approved, the acquisition and lease payments will be recorded in FY 19/20 and subsequent future fiscal years. There is No Net County Cost.

**Capital Lease Acquisition - FY 19/20 Accounting Summary**

<u>Accounting Description</u>	<u>Dt/Ct</u>	<u>Accounting String</u>	<u>Amount</u>
Full Cost of Acquisition (Asset)	Debit	071-1840	\$210,704
Capital Lease Liability	Credit	071-2851	\$210,704
Capital Lease Liability	Debit	071-2851	\$36,809
Interest on Long-Term Debt	Debit	071-090-2900-7418	\$4,161
Depreciation Expense	Debit	071-090-2900-7402	\$36,809
Accumulated Depreciation	Credit	071-1850	\$36,809

**FY 20/21 Accounting Summary**

<u>Accounting Description</u>	<u>Dt/Ct</u>	<u>Accounting String</u>	<u>Amount</u>
Capital Lease Liability	Debit	071-2851	\$65,080
Interest on Long-Term Debt	Debit	071-090-2900-7418	\$5,154
Depreciation Expense	Debit	071-090-2900-7402	\$65,080
Accumulated Depreciation	Credit	071-1850	\$65,080

**SUBJECT:** Approve an agreement with IBM Credit LLC to lease purchase an IBM Business Class Mainframe

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FY 21/22 Accounting Summary

<u>Accounting Description</u>	<u>Dt/Ct</u>	<u>Accounting String</u>	<u>Amount</u>
Capital Lease Liability	Debit	071-2851	\$67,665
Interest on Long-Term Debt	Debit	071-090-2900-7418	\$2,570
Depreciation Expense	Debit	071-090-2900-7402	\$67,665
Accumulated Depreciation	Credit	071-1850	\$67,665

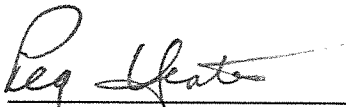
FY 22/23 Accounting Summary

<u>Accounting Description</u>	<u>Dt/Ct</u>	<u>Accounting String</u>	<u>Amount</u>
Capital Lease Liability	Debit	071-2851	\$28,981
Interest on Long-Term Debt	Debit	071-090-2900-7418	\$284
Depreciation Expense	Debit	071-090-2900-7402	\$28,981
Accumulated Depreciation	Credit	071-1850	\$28,981

**LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:**

The County's five-year strategic plan includes the Organizational Performance Initiative to which this purchase applies. The continued maintenance and enhancements for the County of Tulare property systems provides stability of operations to support better service delivery.

**ADMINISTRATIVE SIGN-OFF:**



Peg Yeates

Information & Communications Technology Director

cc: County Administrative Office  
County Counsel  
Auditor-Controller  
Purchasing

Attachment(s)

Attachment A – AUD 308 Budget Adjustment  
Attachment B – Lease Purchase Master Agreement  
Attachment C – Lease Purchase Supplement Documents  
Attachment D – Lessee's Certificate of Acceptance  
Attachment E – Lessee's Certificate  
Attachment F – Lease Payment Schedule  
Attachment G – Opinion of Counsel

**BEFORE THE BOARD OF SUPERVISORS  
COUNTY OF TULARE, STATE OF CALIFORNIA**

IN THE MATTER OF APPROVE AN )  
AGREEMENT WITH IBM CREDIT LLC ) Resolution No. \_\_\_\_\_  
TO LEASE PURCHASE AN IBM BUSINESS ) Agreement No. \_\_\_\_\_  
CLASS MAINFRAME )

UPON MOTION OF SUPERVISOR \_\_\_\_\_, SECONDED BY  
SUPERVISOR \_\_\_\_\_, THE FOLLOWING WAS ADOPTED BY THE  
BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD \_\_\_\_\_  
\_\_\_\_\_, BY THE FOLLOWING VOTE:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST: JASON T. BRITT  
COUNTY ADMINISTRATIVE OFFICER/  
CLERK, BOARD OF SUPERVISORS

BY: \_\_\_\_\_  
Deputy Clerk

\* \* \* \* \*

1. Approved the capital asset expenditure in an amount not to exceed \$210,704 for the purchase of an IBM Business Class Mainframe;
2. Approved the necessary budget adjustments per the attached AUD 308 (4/5ths vote required);
3. Found that the purchase of the mainframe is a sole source purchase and that IBM Credit LLC is the only source that meets the business needs of the Agency based on compatibility and the unique features of the Property tax System;
4. Approved a Lease Purchase Master Agreement with IBM Credit LLC for the purchase and maintenance of an IBM Business Class Mainframe;
5. Recognized that the IBM ServiceElite Master Services Maintenance Agreement, approved and initiated in April 2006 through the County's third-party technology vendor ACS, Inc., is a grandfathered and honored agreement with IBM and

County;

6. Approved the addition of the new IBM Business Class Mainframe be included as an Eligible Machine/Product under the IBM ServiceElite Master Services Maintenance Agreement;
7. Approved the attached Lessee's Certificate;
8. Authorized the Chairman of the Board to sign three copies of the Lease Purchase Master Agreement;
9. Authorized the Chairman of the Board to sign three copies of the Lease Purchase Supplement;
10. Authorized the chairman of the Board to sign three copies of the Lessee's Certificate;
11. Authorized the chairman of the Board to sign three copies of the Lease Payment Schedule;
12. Authorized County Counsel to sign the Opinion of Lessee's Counsel as a supplement to the Lease Purchase Master Agreement; and
13. Authorized Peg Yeates, ICT Director, or designee, to sign those lease purchase documents that do not require the signature of the executing official.

## County of Tulare — Auditor Controller Budget Adjustment Form

1:40 PM

11/05/2019							05/20		2020		
Date				Document ID Number			Accounting Period		Budget Fiscal Year		
				TCiCT			Steven Murch		622.7314		
				Agency Name			Contact Person		Phone		
				<b>LEVEL 1 Finish Here</b>			Current Amount		Revised Amount		
									Inc / Dec Amt		
Action** A,C,D	Fund	Dept	Appr #								
A	071	090	0901OTH						40,970		
C	071	090	0901SSUP				8,055,357		8,014,387		
									-		
									-		
									-		
									-		
									-		
									-		
<b>Appropriations Total</b>				<i>Need Not Equal Zero</i>			<b>8,055,357</b>		<b>8,055,357</b>		
									-		
Action** A,C,D	Fund	Dept	Appr #	Unit	Object	Rev	<b>LEVEL 2 Start Here</b>		Current Amt	Revised Amount	Inc / Dec Amt
A	071	090	0901OTH	2900	7418				4,161		4,161
A	071	090	0901OTH	2900	7402				36,809		36,809
C	071	090	0901SSUP	2900	7043				5,447,188		5,406,218
											-
											-
											-
											-
											-
											-
											-
											-
											-
											-
<b>Line Total</b>				<i>Must Equal Zero</i>			<b>\$ 5,447,188</b>		<b>\$ 5,447,188</b>		<b>\$ -</b>
Reason for Adjustment (To Avoid Correspondence, State Reason in Detail)											
TCiCT Board Agenda Item - This item was presented and approved by the Board on 11/05/2019 This Aud 308 is required to book the Capital Lease Purchase first year payments of a new mainframe Please contact Steven Murch @ 559.622.7314 or smurch@co.tulare.ca.us for more information Supportive Doumentation Attached											
_____						_____					
Affected Dept Head Signature						Other Affected Dept Head Signature					
Checked By: _____						Entered By: _____					
County Executive Office Action: No. _____ Date: _____						Date: _____					
( ) Approved ( ) Disapproved						Distribution: 1: BOS/CAO/Auditor					
By: _____											
Board of Supervisors Action: No. _____ Date: _____											
** Action Codes: A=Add, C=Change, D=Deactivate											
* Whenever a 93XX account budget is adjusted, a corresponding 94XX account budget must be adjusted in the billing agency, <b>except for ISFs</b>											
* Whenever a 95XX account budget is adjusted, a corresponding 96XX account budget must be adjusted in the billing agency, and vice versa											
* Whenever a 97XX account budget is adjusted, a corresponding 98XX account budget must be adjusted in the billing agency, and vice versa											

# TULARE COUNTY COUNSEL

**County Counsel**

Deanne H. Peterson

**Chief Deputies**

John A. Rozum  
Jennifer M. Flores  
Kathleen A. Taylor  
Jeffrey L. Kuhn

**Special Assistants**

Julia J. Roberts



**Attorneys**

Judith D. Chapman	Stephanie R. Smittle
Amy-Marie Costa	Amy I. Myers
Barbara B. Grunwald	Christopher D. Sorich
Carol E. Holding	Aaron Zaheen
Jason G. Chu	Eric M. Scott
Abel C. Martinez	Harsharon Sekhon
Diana L. Mendez	Allison K. Pierce
Marit Erickson	Ameet K. Nagra

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2900 W. Burrel, County Civic Center, Visalia, CA 93291 Telephone: (559) 636-4950 Fax: (559) 737-4319 or (559) 713-3240

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November 05, 2019

IBM Credit LLC  
7100 Highlands Parkway  
Smyrna, GA 30082

County of Tulare  
2900 W Burrel  
County Civic Center  
Visalia, CA 93291

Re: Lease/Purchase Supplement to Lease/Purchase Master Agreement between IBM Credit LLC and County of Tulare  
Our File No.: 20191389

Ladies and Gentlemen:

We are counsel to the County of Tulare ("Lessee"), in connection with the Lease/Purchase Master Agreement No. 8972308LP (the "Master Agreement"), between County of Tulare, as lessee, and IBM Credit LLC, as lessor ("Lessor"), and the execution of Lease/Purchase Supplement No. 070422 (the "Lease/Purchase Supplement") pursuant to the Master Agreement. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

All capitalized terms not otherwise defined herein shall have the meanings provided in the Master Agreement and Lease/Purchase Supplement.

As to questions of fact material to our opinion, we have relied upon the representations of Lessee in the Master Agreement and the Lease/Purchase Supplement and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

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 Master Agreement and the Lease/Purchase Supplement and to perform its obligations thereunder.
3. The execution, delivery and performance of the Master Agreement and the Lease/Purchase Supplement by Lessee has been duly authorized by all necessary action on the part of Lessee.
4. All proceedings of Lessee and its governing body relating to the authorization and approval of the Master Agreement and the Lease/Purchase Supplement, 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.
5. Lessee has acquired or has arranged for the acquisition of the Property subject to the Lease/Purchase Supplement, and has entered into the Master Agreement and the Lease/Purchase Supplement, in compliance with all applicable public bidding laws.
6. Lessee has obtained all consents and approvals of other governmental authorities or agencies which may be required for the execution, delivery and performance by Lessee of the Master Agreement and the Lease/Purchase Supplement.
7. The Master Agreement and the Lease/Purchase Supplement have 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.
8. 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 Master Agreement or the Lease/Purchase Supplement or of other agreements similar to the Master Agreement; (b) questioning the authority of Lessee to execute the Master Agreement or the Lease/Purchase Supplement, or the validity of the Master Agreement or the Lease/Purchase Supplement, or the payment of principal of or interest on, the Lease/Purchase Supplement; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Master Agreement and the Lease/Purchase Supplement; or (d) affecting the provisions made for the payment of or security for the Master Agreement and the Lease/Purchase Supplement.
9. The Lessee is a political subdivision within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended, and the related regulations and rulings thereunder and the portion of payments identified as the interest component of the rents (as set forth in the payment schedule attached to the Lease/Purchase Supplement) will not be includable in Federal gross income of the recipient under

the statutes, regulations, court decisions and rulings existing on the date hereof and consequently will be exempt from Federal income taxes.

10. 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 Lease/Purchase Supplement.

Very truly yours,  
DEANNE H. PETERSON  
County Counsel

By \_\_\_\_\_  
Marit Erickson  
Deputy County Counsel

Schedule/Agreement No.: 070422

**IBM Credit LLC**  
**Certificate of Acceptance**

Certificate of Acceptance No.: 070422001

Page 1 of 2

**Lessee/Borrower Name ("Client") and Address:**

COUNTY OF TULARE  
221 S MOONEY BLVD  
VISALIA CA 93291-4543

**Lessor Name and Address:**

IBM Credit LLC  
7100 Highlands Parkway  
Smyrna, GA 30082  
igfnadoc@us.ibm.com

The Client certifies and agrees that the information contained in the following table(s) is correct and relates to item(s) leased or financed under the terms and conditions of the above referenced Schedule/Agreement with IBM Credit LLC.

Client Reference:

Payment Period: Monthly

Payment Type: Arrears

TAX-EXEMPT FINANCING TRANSACTION(S)		
Qty.	Property Description	Original Term (months)
1	3907 ZR1 Z14 BUSINESS CLASS - ZEUS - MO	36
1	9MT3 IBM IBM PREPAID MAINTENANCE	36

Client represents and certifies that the item(s) listed in the above table(s) are in compliance with Client's specifications ("Accepted Item(s)"). Client hereby accepts the Accepted Item(s) listed in the above table(s) on the Acceptance Date and authorizes IBM Credit LLC to make payments to the Supplier(s) for the Supplier's invoice(s) for the Accepted Item(s) and to commence the leasing or financing of these Accepted Item(s) under the Schedule/Agreement.

Since this Certificate of Acceptance ("COA") is being issued prior to Lessor's receipt of an invoice, Lessor, upon its receipt of this COA duly executed by Lessee and the Supplier's invoice, will either issue i) a confirmation document in order to confirm Lessor's acceptance of the COA or ii) an updated COA which requires Lessee's signature in order to confirm any changes. In order for IBM Credit LLC to make payment to your listed Suppliers, all Equipment must include serial number information. Accordingly, Client hereby authorizes IBM Credit LLC to complete or update any manufacturer serial number information for any Accepted Item(s) accepted, without Client's further action or consent.

Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement referenced in the Schedule listed above.

**This COA may be sent to Client by IBM Credit LLC in soft copy format, such as a PDF file. Client represents and warrants that no changes have been made to the text of this COA, except for IBM Credit LLC authorized alterations to the Product Description (including without limitation, changes to any other information listed on the product information tables herein). If there are any conflicts between the version delivered by IBM Credit LLC to Client and the version delivered by Client to IBM Credit LLC, or if the Supplier's invoice does not match the information listed on the COA, IBM Credit LLC reserves the right not to incept the transaction and to send a replacement COA to Client. Any copy of this COA made by reliable means (for example photocopy, image or facsimile) shall in all respects be considered equivalent to an original.**

**IBM Credit LLC**  
**Certificate of Acceptance**

For the purposes of the transaction commencement provisions specified in the Agreement referenced in the Schedule listed above, Client hereby represents, warrants and certifies that as of the following date, Client has accepted the Accepted Item(s) listed in the product information tables herein:

\_\_\_\_\_ (MM/DD/YYYY) ("Acceptance Date" for Accepted Item(s))

Agreed to:  
COUNTY OF TULARE

By: \_\_\_\_\_  
Authorized signature

Peg Yeates

Name (type or print): \_\_\_\_\_  
Director

Title (type or print): \_\_\_\_\_

Client shall return this executed COA to IBM Credit LLC by mail, in an email, or by facsimile within ten (10) days of Acceptance Date.

IBM Credit LLC

**LESSEE'S CERTIFICATE**

Page 1 of 2

**Re: Lease/Purchase Supplement No. 070422 to Lease/Purchase Master Agreement No. 8972308LP between IBM Credit LLC and COUNTY OF TULARE ("Lessee").**

**The undersigned (person signing at the bottom of this document), being the duly qualified and acting representative of the Lessee with the title indicated at the bottom of this document does hereby certify, as of the date executed, as follows:**

1. Lessee did, by resolution or ordinance duly enacted, in accordance with all requirements of law, approve and authorize the execution and delivery of the above-referenced Lease/Purchase Supplement and any related documents entered into pursuant to the Lease/Purchase Master Agreement (the "Lease/Purchase Supplement") by the following named representative of Lessee, to wit:

<b>NAME OF EXECUTING OFFICIAL(S)            AUTHORIZED TO SIGN ANY            LEASE/PURCHASE SUPPLEMENT            DOCUMENTS (incl. CERT of ACCEPTANCE)</b>  NOTE: THE PERSON SIGNING AT THE BOTTOM OF THIS DOCUMENT SHOULD <u>NOT</u> BE LISTED IN THIS TABLE	<b>TITLE            OF EXECUTING OFFICIAL(S)</b>	<b>SIGNATURE            OF EXECUTING            OFFICIAL(S)</b>
Kuyler Crocker	<b>Chairman of The Board</b>	
And/Or Peg Yeates	<b>Director</b>	
And/Or Kennon Keoseyan	<b>Assistant Director</b>	
And/Or Jay Jones	<b>Deputy Director</b>	
And/Or Richard Noon	<b>Manager</b>	

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

3. Any meeting(s) of the governing body of the Lessee which were required for the Lease/Purchase Supplement to be approved and authorized to be executed, were duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, and the enactment approving the Lease/Purchase Supplement 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 Lease/Purchase Supplement 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. The meeting of the governing body of the Lessee at which the Lease/Purchase Supplement was approved and authorized to be executed was held on 11/05/2019 [Lessee must enter the meeting date or "n/a"].

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 a Non-appropriation Event (as such terms are defined in the Lease/Purchase Master Agreement (the "Master Agreement")) exists at the date hereof with respect to this Lease/Purchase Supplement or any other Lease/Purchase Supplements under the Master Agreement.

5. The acquisition of all of the Property under the Lease/Purchase Supplement 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 Lease Payments scheduled to come due during the current budget year under the Lease/Purchase Supplement and to meet its other obligations for the current budget year and such funds have not been expended for other purposes.

7. Lessee represents and warrants that the Property is essential to the proper, efficient and economic functioning of Lessee or to the services that Lessee provides; and Lessee has immediate need for and expects to make immediate use of substantially all of the Property, which need is not temporary or expected to diminish in the foreseeable future.

8. Bank Qualified Tax-Exempt Obligation under Section 265 (Consult tax counsel for applicable provisions.).  
**[Lessee must select one option below.]**

         Lessee hereby designates this Lease/Purchase Supplement 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 Lease/Purchase Supplement falls, in an amount not exceeding \$10,000,000.

or

  xxx   Not applicable

LESSEE'S CERTIFICATE

9. Has Lessee ever terminated a lease or financing contract prior to the expiration of its term (including all permitted renewal terms) due to nonappropriation or other provision permitting Lessee to terminate in Lessee's discretion?

[Lessee must select one option below.]

Yes \_\_\_ No XX. If yes, then please describe the circumstances of such termination:

10. 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 Master Agreement or the Lease/Purchase Supplement or of other agreements similar to the Master Agreement; (b) questioning the authority of Lessee to execute the Master Agreement or the Lease/Purchase Supplement, or the validity of the Master Agreement or the Lease/Purchase Supplement, or the payment of principal of or interest on, the Lease/Purchase Supplement; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Master Agreement and the Lease/Purchase Supplement; or (d) affecting the provisions made for the payment of or security for the Master Agreement and the Lease/Purchase Supplement.

Lessee: COUNTY OF TULARE

\*\*By (Signature): \_\_\_\_\_

\*PRINTED NAME: Steven Murch

\*TITLE: Fiscal Manager

\*DATE: 11/05/2019

**\*\*SIGNER MUST NOT BE THE SAME AS THE EXECUTING OFFICIAL(S) SHOWN IN THE TABLE ABOVE. (I.E. SIGNER MUST NOT BE THE SAME PERSON WHO SIGNED THE LEASE/PURCHASE SUPPLEMENT DOCUMENTS)**

**A SELECTION OR RESPONSE MUST BE MADE IN REGARDS TO STATEMENTS 3, 8 & 9.**

**\*ALL FIELDS ARE REQUIRED TO BE COMPLETED.**