



Brownsville Independent School District

Agenda Category: General Function
Contracts/MOU Board of Education Meeting: 08/01/2023

Item Title: Quote #008-23 Lease Purchase for
Class "C" School Buses X Action
Information
Discussion

BACKGROUND:

We are recommending the lease purchase of twenty (20) school buses for District-wide-use: seven (7) each 54-passengers equipped with a wheelchair lift and seats with integrated seatbelts; thirteen (13) each regular 77-passenger Class "C." Santander Bank Municipal Lease Program LLC is financing the acquisition through a tax-exempt five-year financial plan.

FISCAL IMPLICATIONS:

Principal \$3,290,163.00
Interest \$ 333,652.00
Fee \$ 800.00

Not to Exceed \$3,624,615.00 from approved Local Maintenance funds.

RECOMMENDATION:

Recommend approval of Quote #008-23 Lease Purchase for Class "C" School Buses to the Santander Bank tax-exempt five-year installment financing for the lease purchase of twenty school buses from Longhorn Bus Sales using BuyBoard – Resolution R002/22-23. The contract number is 549-17, and there is a fee of \$800.00 per purchase order. Final Expenditure not to exceed \$3,624,615.00, which includes applicable one-time purchase and finance charges at no more than 4.85% interest for five years.


Elind Arnelas

Submitted by: Transp. Director/Program Director

Approved for Submission to Board of
Education:

  7/19/2023
ALEJANDRO CESPEDES /Dr. Nellie Cantu AC
Recommended by: Asst. Supt./Deputy Supt.


Miguel Salinas
Reviewed by: Staff Attorney


Dr. René Gutiérrez, Superintendent

Dr. Nellie Cantu

Approved by: Deputy Superintendent

7/19/23
When Necessary, Additional Background May Follow This.

Isela Vieyra

From: Priscilla Lozano <plozano@808West.com>
Sent: Wednesday, June 7, 2023 7:27 AM
To: Isela Vieyra; Miguel Salinas
Subject: Re: Q008-23 Lease Purchase for Class "C" School Buses

CAUTION: This email originated from outside of Brownsville ISD. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good morning,
This is approved as to form. Note that this will need to be attached to the Agreement and it would be prudent if the amendment was referenced in the Agreement.

Sincerely,

Priscilla

From: Isela Vieyra <jivieyra@bisd.us>
Sent: Tuesday, June 6, 2023 4:47 PM
To: Priscilla Lozano <plozano@808West.com>; Miguel Salinas <miguelsalinas@bisd.us>
Subject: RE: Q008-23 Lease Purchase for Class "C" School Buses

Good afternoon Ms. Lozano,

Please see attached.

Thank you,

Isela Vieyra Rios | Legal Assistant to Miguel Salinas | Staff Attorney | Phone: 956.698.6379
Brownsville Independent School District | 1900 East Price Road | Brownsville, TX 78521

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Dr. René Gutiérrez
Superintendent of Schools

**Brownsville Independent School District
Department of Transportation**

**2601 Dana Avenue
Brownsville, Texas 78521
(956)548-8085**



Eliud Ornelas
Director for Transportation

**To: Mrs. Rosario Peña
Purchasing Administrator**

**From: Eliud Ornelas
Director of Transportation**

Date: May 26, 2023

RE: Bid #008-23: Lease Purchase for Class "C" School Buses

The Transportation department is not considering Rush Bus Centers, because the response does not meet the technological features requested that provide the driver awareness of the surroundings with the 360-degree camera view around the bus and the Collision Mitigation features. In addition, the company does not offer seamless rubber floors and a quick-release seat system requested on the quote package.

Eliud Ornelas, CTPTA, RTSBA.
Director of Transportation
e-mail: ornelas@bisd.us



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BISD no discrimina a base de raza, color, origen nacional, sexo, religión, edad, discapacidad o información genética en el empleo o en la provisión de servicios, programas o actividades



AN EARLY COLLEGE DISTRICT

BROWNSVILLE

INDEPENDENT SCHOOL DISTRICT

Board Meeting of June 13, 2023

Quote # Q008-23 Lease Purchase for Class "C" School Buses

ITEM #	QTY	DESCRIPTION	UNIT PRICE	TOTAL	RECOMMENDATION	VENDOR	Delivery
1	7	54 Passenger school bus equipped with wheelchair with additional features	\$ 150,510.00	\$ 1,053,570.00	See Attachment	Rush Truck Center of Texas	
1	7	54 Passenger school bus equipped with wheelchair with additional features	\$ 162,616.00	\$ 1,138,312.00	Recommended	Longhorn International	300-365 Days
2	13	77 Passenger school bus equipped with wheelchair with additional features	\$ 155,826.00	\$ 2,025,738.00	See Attachment	Rush Truck Center of Texas	
2	13	77 Passenger school bus equipped with wheelchair with additional features	\$ 165,527.00	\$ 2,151,851.00	Recommended	Longhorn International	300-365 Days



GOVERNMENT CAPITAL
CORPORATION

May 25, 2023

Brownsville ISD

Re: Financing for Blue Bird bus purchase

We are pleased to offer the following budgetary terms for financing:

Vendor:	Rush Bus
Financing Structure:	Tax Exempt Structure w/ \$1.00 purchase
Equipment Description:	2024 Blue Bird BBCV2610S
Pricing Estimate:	\$ 1,053,570.00 (7 – 53 passenger at \$150,510.00 each)

Term:	<u>5 Years</u>	<u>7 Years</u>
Annual Payment:	\$ 242,944.23	\$ 181,893.06
Effective Interest Rate:	4.947%	4.972%
Payments Commence:	One year from signing and annually thereafter	

- Standard requirement of an attorney's opinion will be waived for Rush Bus customers upon receipt of a certified copy of the board agenda, board minutes, and resolution approving the financing.
- To enhance the fleet management options for the District, Government Capital will not require a lien on any of the bus titles.

The above terms are subject to bank-qualified issuance under 265(b)3 of the Internal Revenue Code, underwriting approval, and mutually acceptable documentation. The above payment amount includes all applicable issuance costs.

All terms are subject to change if funding occurs more than 30 days from the proposal date.

Thank you for the opportunity to serve your community.

Sincerely,

Matt Sullivan
Client Services
817.722.0212 Direct
cc: Edward L. King

The transaction described herein is an arm's length, commercial transaction between you and Government Capital Corporation ("GCC"), in which GCC: (i) is acting solely for its own financial and other interests that may differ from yours, (ii) is not acting as your municipal advisor or financial advisor, and has no fiduciary duty to you with respect to this transaction and (iii) is not recommending that you take an action with respect to this transaction.



GOVERNMENT CAPITAL
CORPORATION

May 25, 2023

Brownsville ISD

Re: Financing for Blue Bird bus purchase

We are pleased to offer the following budgetary terms for financing:

Vendor:	Rush Bus
Financing Structure:	Tax Exempt Structure w/ \$1.00 purchase
Equipment Description:	2024 Blue Bird BBCV3310S
Pricing Estimate:	\$ 2,025,738.00 (13 - 77 passenger at \$155,828.00 each)

Term:	<u>5 Years</u>	<u>7 Years</u>
Annual Payment:	\$ 467,209.13	\$ 349,732.51
Effective Interest Rate:	4.947%	4.972%
Payments Commence:	One year from signing and annually thereafter	

- Standard requirement of an attorney's opinion will be waived for Rush Bus customers upon receipt of a certified copy of the board agenda, board minutes, and resolution approving the financing.
- To enhance the fleet management options for the District, Government Capital will not require a lien on any of the bus titles.

The above terms are subject to bank-qualified issuance under 265(b)3 of the Internal Revenue Code, underwriting approval, and mutually acceptable documentation. The above payment amount includes all applicable issuance costs.

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cc: Edward L. King

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ORIGINAL FINANCE LEASE DOCUMENTS

**Sign and fill out the CONTRACT. Please have signature notarized
and/or provide a copy of authority to sign contracts.
A School Seal may be used.**

**Fill in Federal ID # and sign the 8038 IRS Form.
(Santander Bank will file once lease is funded and finalized.)**

**Sign and fill out the Insurance Company and Coverage Information
Please send a copy to your agent ASAP and return copy with docs.
Fill out all necessary documents included in this Packet.
Including all checked and marked items.**

**Please attach a copy of signed Board Minutes in which this
finance arrangement was approved. The official minutes can
be used or the board's attorney must sign and approve.**

**We should be able to obtain the Annual Audits online,
if not, we will need to ask for the last 4 years.
(we may already have a few years on file)**

Return completed set of documents and other required documents to:

**Mr. Jeff Drawdy
Santander Bank, N.A.
1227 Seminole Drive
Indian Harbour Beach, FL 32927**

Confidential



Municipal Lease Program

Customer's Full LEGAL Name Brownsville Independent School District

Addresses (Street and Mailing) 1900 E. Price Road

City, State, Zip Code Brownsville, TX 78521

Distributor Longhorn Bus Sales

Name of Administrator/Business Officer/Title Dr. Rene Gutierrez, Superintendent

Telephone/Fax 956-548-8000 956-574-6497

Number of units to be sold & type 20 2024 IC CE School Buses

Initial Payment: deferred 30 days **PMT** Annual **Delivery Date:** 7/15/2024 estimated

Year School District was formed: Pre 1940 **Current Enrollment:** 38,352

Districts Current Bus Fleet: 12 **Federal /Employee ID Number:** 74-6000418

Fleet Replacement: XXXXX or Addition to Fleet _____

Provide Basic Justification for Request: Bus replacement

Borrowing Reference: Lone Star National Bank **Bank Relationship Reference:** Lone Star National Bank

Completed By: _____ **Title:** _____

Computations from Amortization Schedule: Quote Expires if not accepted within 30 days. Quote Date: _____
Acceptance by Santander Bank is subject to Credit review and approval by Santander Bank at its sole discretion.

Compound Period: Annual Please send current two years audited financial statements to the below address.

**Rate Maybe adjusted/ indexed/ Locked. Could be 18 months out for delivery,
Rate can be locked 150 days before funding.**

If you have any questions. Please feel free to call or email:

drawdy@santander.us

**Jeff Drawdy, VP, Santander Bank
1227 Seminole Drive
Indian Harbour Beach, FL 32937**

MUNICIPAL LEASE-PURCHASE AGREEMENT

LESSOR

Longhorn Bus Sales
9100 N Loop East
Houston, TX 77029

LESSEE

Name Brownsville Independent School District
Street 1900 East Price Road
City/State/Zip Brownsville, TX 78521
Responsible Official _____
Phone () _____

1. **LEASE OF VEHICLES** LESSOR hereby agrees to lease to LESSEE and LESSEE hereby agrees to lease from LESSOR the school buses or other motor vehicles and equipment and accessories thereon (herein "Vehicles") on the terms and conditions provided in this Agreement and the schedule and additional schedules annexed hereto (each a "Schedule" and collectively the "Schedules"). Each Schedule shall be a separately enforceable Lease, the terms and conditions of which shall be those set forth herein and on each Schedule, each a Lease-Purchase Agreement, Lease and collectively, the "Leases".

2. **COVENANTS** LESSEE represents, covenants and warrants that: (a) It is a public body corporate and politic; (b) It is a "tax-exempt issuer" within the meaning of the Internal Revenue Code; (c) It is authorized by all applicable laws to make and perform under this Lease; (d) The Vehicles are essentially needed for their proper, efficient and economic operation; (e) At the time of making the Lease, sufficient funds were appropriated to fulfill the Lessee's obligations of the current fiscal year; and (f) LESSEE has not previously terminated a lease for non-appropriation.

3. **TERM AND RENT** The Lease term shall commence as of the date that the Vehicles are delivered to LESSEE or LESSEE's Agent (the "Commencement Date") and shall continue for the term shown on the attached Schedule relating thereto, unless Lessee notifies LESSOR that an Event of Non-appropriation (described below) has occurred. At the end of such term LESSEE shall acquire legal title to the Vehicles and terminate this Lease with respect thereto by paying to LESSOR all amounts then due and unpaid hereunder and the remaining principal balance with respect to such Vehicles as shown on the Schedule relating thereto. The rent under this Lease shall be payable in lawful money of the United States of America from any and all legally available funds and at the times and in the amounts as indicated on each attached Schedule. In lieu of cash, LESSOR will accept payment by check or wire transfer of immediately available funds only. Each payment will consist of a principal and interest component.

4. **EVENT OF NON-APPROPRIATION** Lessee shall notify LESSOR promptly (and in no case later than 30 days prior to the last day of its current fiscal year) if sufficient funds are not appropriated for the payments for the next Renewal Term (an "Event of Non-appropriation"). If LESSEE terminates this Lease or an Event of Non-appropriation occurs, Lessee agrees, to the extent not prohibited or required by law, not to (i) purchase, lease, rent or otherwise acquire vehicles performing functions similar to those performed by the Vehicles or (ii) contract with another party to furnish services that the Vehicles had provided for one year after such termination or occurrence.

5. **PAYMENTS UNCONDITIONAL** LESSEE HAS EXAMINED, TESTED AND ACCEPTED THE VEHICLES COVERED BY THIS LEASE AND SCHEDULES AND SUBJECT ONLY TO AN EVENT OF NON-APPROPRIATION, LESSEE'S OBLIGATION TO PAY RENT AND OTHER PAYMENTS HEREUNDER SHALL BE ABSOLUTE AND UNCONDITIONAL AND NOT SUBJECT TO ANY ABATEMENT, SET-OFF, DEFENSE OR COUNTERCLAIM FOR ANY REASON WHATSOEVER, REGARDLESS OF LOSS, DAMAGE, DESTRUCTION, MALFUNCTION OR DISREPAIR OF THE EQUIPMENT, OR DISPUTE WITH THE MANUFACTURER OR SUPPLIER OF THE VEHICLES OR FOR ANY OTHER REASON.

6. **DISCLAIMER OF WARRANTIES** OTHER THAN THE PROVIDED MANUFACTURER WARRANTY, LESSOR MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED TO ANYONE AS TO DESIGN, CONDITION, CAPACITY, PERFORMANCE OR ANY OTHER ASPECT OF THE VEHICLES OR THEIR MATERIAL OR WORKMANSHIP. LESSOR ALSO DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR USE OR PURPOSE, WHETHER ARISING BY OPERATION OF LAW OR OTHERWISE. LESSOR FURTHER DISCLAIMS ANY LIABILITY FOR LOSS, DAMAGE OR INJURY TO LESSEE OR THIRD PARTIES AS A RESULT OF ANY DEFECTS, LATENT OR OTHERWISE, IN THE VEHICLES, WHETHER ARISING FROM THE APPLICATION OF THE LAWS OF STRICT LIABILITY OR OTHERWISE. LESSOR SHALL HAVE NO OBLIGATION TO MAINTAIN OR SERVICE THE VEHICLES. If the Vehicles are unsatisfactory for any reason, LESSEE shall nevertheless pay LESSOR all rent payable under the Lease.

7. **RISK OF LOSS** LESSEE shall bear all risks of loss of and damage to Vehicles from any cause. Occurrence of such loss or damage shall not relieve LESSEE of any obligation hereunder. In the event of loss or damage, LESSEE, at its option, shall: (a) place the damaged Vehicle in good repair, condition and working order; or (b) replace lost or damaged Vehicles with like Vehicles in good repair, condition and working order with documentation creating a lien in favor of LESSOR or its assignee; or (c) purchase the Vehicles for the Purchase Option Price set forth on the related Schedule for the fiscal year then or next ending.

8. **INSURANCE** LESSEE will purchase and maintain in force during the term of this Agreement, insurance policies in at least the amounts listed below covering the Vehicles between the time of delivery thereof to LESSEE and final disposition by LESSOR. Said insurance shall be written by an insurance company or companies acceptable to LESSOR, insuring LESSEE against any loss, damage, claims, suits, actions or liability, and by endorsement naming LESSOR as an Additional Named Insured and Loss Payee. Such endorsement or endorsements shall provide in each case that said insurance company or companies shall give to LESSOR at least thirty (30) days' notice in writing of proposed cancellation, modification, or alteration of any said insurance.

Type

Amount

Public Liability and Property Damage (Comprehensive)

\$1,000,000 Combined Single Limit (per occurrence)
(\$5,000,000.00) for multi-passenger or I.C.C. Regulated Vehicles

Collision, Fire and Theft (ALL RISK)

Not less than replacement value

The above insurance shall also include the following in amounts not less than the applicable minimum legal requirements: (a) uninsured/underinsured motorist coverage; and (b) no fault protection. LESSEE shall, in addition, provide general liability insurance covering LESSEE'S indemnification responsibilities hereunder. Prior to the date that any Vehicle is placed in service by LESSEE, LESSEE shall furnish LESSOR with a certificate of insurance or other evidence thereof acceptable to LESSOR. Policies covering the aforementioned fire and theft and collision insurance shall bear endorsements to the effect that proceeds thereof shall be payable to LESSOR and/or LESSEE as their interests may appear. LESSEE hereby appoints LESSOR as LESSEE'S attorney-in-fact to receive payment of and endorse all checks and other documents and to take any other action necessary to pursue insurance claims and recover payments if LESSEE fails to do so. Any expense of LESSOR in adjusting or collecting insurance shall be borne by LESSEE. In the event a Vehicle is involved in any material accident, LESSEE shall immediately notify LESSOR and provide (i) a detailed report describing the accident; (ii) copies of all reports provided to an insurance carrier or governmental agency; and (iii) copies of any legal papers relating to the accident.

9. **LESSEE'S OPERATION OF VEHICLES** LESSEE shall use the Vehicles primarily in the state of registration for business purposes and in a safe and lawful manner, and shall comply with all federal, state, county and municipal statutes, ordinances and regulations which may be applicable to the leasing, use or operation of the Vehicles. LESSEE shall, at its sole expense, maintain the Vehicles in good operating condition and repair. In addition, LESSEE shall prepare and furnish to LESSOR all documents, returns or forms legally required to be prepared by LESSEE. LESSEE shall be solely responsible for any fines or penalties assessed for violations of any statute, ordinance, by law or regulation of any duly constituted governmental authority as a result of the use or operation of the Vehicles by any of LESSEE'S employees, agents, sublessees or subcontractors and indemnify LESSOR against any costs, fines or charges LESSOR is required to pay. LESSEE agrees to operate only those Vehicles which have adequate insurance coverage and to comply with all conditions of insurance related to the Vehicles, to maintain the Vehicles and all accessories and equipment thereof in safe and good mechanical condition and running order at all

times during the term of this Agreement and to furnish all supplies, accessories, and other essentials required for the use or operation of the Vehicles. In no event will the Vehicles be used to transport any hazardous substances.

10. **TITLE; REDELIVERY OF VEHICLES** Title to each Vehicle shall pass to Lessee upon delivery. To secure all of LESSEE's obligations to LESSOR hereunder, LESSEE grants to LESSOR a first security interest and lien (the "Lien") in the Vehicles. LESSEE shall deliver originals of the certificates of title to LESSOR and sign any necessary documents, including applications for Liens to the Motor Vehicle Bureau as requested by LESSOR to note the Lien of LESSOR on the title of the Vehicles. If this Lease is terminated or an Event of Non-appropriation occurs, LESSEE shall immediately deliver the Vehicles to LESSOR or as LESSOR directs.

11. **NON-ASSIGNABILITY BY LESSEE** LESSEE shall not assign, sub-lease, transfer or otherwise encumber its rights in and to this Lease or the Vehicles without the prior written consent of the LESSOR.

12. ASSIGNMENT BY LESSOR This Lease, the Vehicles and any payments by LESSEE due or to become due under it, may be assigned or otherwise transferred, either in whole or in part, by LESSOR and its assignee without affecting any obligations of LESSEE, and in such event LESSOR's transferee or assignee shall have all the rights, powers, privileges and remedies of LESSOR hereunder, but none of the obligations or duties of LESSOR, including any representations or warranties made by LESSOR. Any assignee's rights shall be free from all defenses, set-offs or counterclaims which LESSEE may be entitled to assert against LESSOR. No assignee shall be obligated to perform any duty or condition required to be performed by LESSOR under the terms of this Lease.

13. **DEFAULT** In the event of default by LESSEE in the payment of any sums due under this Lease when due which continues uncured for thirty (30) days or receivership, insolvency or proceedings by or against LESSEE under the bankruptcy laws or LESSEE's failure to observe or perform any other required provision of this Lease and such default continues for fifteen (15) days after written notice thereof by LESSOR to LESSEE, LESSOR shall have the right to exercise any one or more of the following remedies: (a) to declare all sums due and to become due hereunder during the LESSEE's current fiscal period, immediately due and payable without notice or demand to LESSEE; (b) to sue for and recover all payments then accrued or thereafter accruing with respect to the Vehicles; (c) to take possession of the Vehicles without demand or notice wherever it may be located with or without legal process, and retain it free from any claims of LESSEE whatsoever; (d) to terminate this Lease; or (e) to pursue any other remedy at law or in equity. If LESSOR sells or re-leases any of the repossessed Vehicles, the net proceeds of such sale or lease, less LESSOR's expenses incurred in connection therewith, including attorneys' fees, shall be applied to the total amount due by LESSEE under this Lease and related Schedule and LESSEE shall be obligated to pay LESSOR any deficiency. All of the foregoing remedies are cumulative and may be exercised concurrently or separately. LESSEE shall pay all costs and legal expenses incurred by LESSOR in collecting or attempting to collect any sums due hereunder or in securing possession of the Vehicles. LESSEE consents to the personal jurisdiction of the courts and the applicability of the laws of the State of the Lessee with respect to any dispute arising out of the Lease.

14. **FEDERAL STATE AND LOCAL TAXES** In addition to payments specified herein, LESSEE shall promptly pay all taxes, assessments and other governmental charges (including penalties, interest, recording and "egistrar" fees, if any) levied or assessed upon the ownership, use or operation of the Vehicles and the payments due hereunder. LESSEE acknowledges that its compliance with the reporting requirements of the Internal Revenue Code is essential to the exemption from Federal income tax of the interest portion of payments made by LESSEE hereunder. Accordingly, LESSEE agrees that its failure to comply with those requirements shall constitute a Default hereunder. LESSEE certifies that it reasonably anticipates that not more than \$10,000,000 of "qualified tax-exempt obligations" (as that term is defined in Section 265(b)(3)(D) of the Internal Revenue Code, as amended by the Tax Reform Act of 1986 (the "Code")) will be issued by it and subordinate entities during the calendar year in which the Lease begins. Further, LESSEE will, by resolution, designate the Lease as comprising a portion of the \$10,000,000 in aggregate issues to be designated as "qualified tax exempt obligations" eligible for the exception contained in Section 265(b)(3)(D) of the Code allowing for an exemption to the general rule of the Code which provides for a total disallowance of a deduction for interest expense allocable to the carrying of tax exempt obligations. If for any reason the payments due hereunder are not exempt from federal taxes, then LESSEE shall pay LESSOR such amounts as will permit LESSOR to realize the same after tax income as if such payments were so exempt, together with all costs, liabilities, damages, expenses, taxes and penalties (including Federal income tax penalties and interest) incurred as a consequence thereof, which LESSEE agrees to pay upon written demand therefor.

15. **ADMINISTRATIVE SUPPORT** LESSEE may from time to time be required to file or assist in the filing of reports to regulatory and or taxing authorities which may be necessary to establish perfect or maintain the legal and/or tax-exempt status of this Lease or to execute documents needed for LESSOR financing. LESSEE promises to promptly make such filings or to render such assistance as may from time to time be reasonably requested by LESSOR or its Assigns and to indemnify and hold harmless LESSOR or its assigns from any cost expense or other damage caused by its failure to do so. LESSEE hereby further authorizes LESSOR to file UCC-1 financing statements without LESSEE'S signature and to file dates and other obvious minor corrections on this Lease.

18. **SEVERABILITY** Any term or provision of this Lease found to be prohibited by law or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without to the extent reasonably possible invalidating the remainder of the Lease.

17. **FINANCIAL INFORMATION:** LESSEE shall provide LESSOR with current financial statements, budgets, proof of appropriation for the ensuing fiscal year and such other information relating to the ability of LESSEE to continue this Agreement within 180 days after the end of each fiscal year of LESSEE and at the request of LESSOR.

18. **ENTIRE AGREEMENT** This Lease constitutes the entire agreement between the parties regarding the Vehicles and there are no representations, warranties, promises, guarantees or agreements, oral or written, expressed or implied, between the parties hereto with respect to the Lease. No modification or amendment hereto shall be binding upon the LESSOR unless made in writing and executed on behalf of LESSOR by its duly authorized officer or agent.

Board Minutes of Lessee approving this transaction on (date) _____ are attached and included with these documents. ✓
Please have Notary sign and stamp below/ or use a school seal Stamp.

LESSOR Longhorn Bus Sales

LESSEE: Brownsville Independent School District

Signature

Signature:

Date: _____

Print Name _____

Print Name:

Title:

Title

Date of this Lease

"Signed and sworn before me this _____ day of _____"

If Board Minutes are not attached, the following must be completed by the Lessee's legal counsel.

OPINION OF LESSEE'S LEGAL COUNSEL

As Legal Counsel for the aforementioned LESSEE, it is my opinion that:

- (a) LESSEE is a political subdivision of the State, duly organized, existing and operating under the constitution and laws of the State;
- (b) The Lease has been duly authorized and has been executed by an authorized representative;
- (c) The Lease creates a legal, valid and binding obligation of the LESSEE and such Lease is enforceable in accordance with its terms;
- (d) The equipment covered by the Lease is not being used for other than a public purpose.

LEGAL COUNSEL FOR LESSEE

Print Name _____

Firm Name _____

Signature _____

and Address _____

Title _____

Date _____

**Amendments to Municipal Lease- Purchase Agreement between Lessor, Longhorn Bus Sales and Lessee,
Brownsville Independent School District**

- The language below replaces the language in Section 8, the Insurance section:

Lessee will purchase and maintain in force during the term of this Agreement insurance policies or their equivalent in amounts required of Texas public school districts under Chapter 101 of the Texas Civil Practice and Remedies Code, Section 101.023. In the event a Vehicle is involved in any material accident LESSEE shall immediately notify LESSOR.

- The language below replaces the language in section 13, the Default Section:
In the event of a default by LESSEE in the payment of any sums due under this Lease when due as defined by the Texas Government Code, Section 2251, LESSEE shall have the rights as provided in that Chapter.

Brownsville ISD

Signature: _____

Date: _____

Longhorn Bus Sales:

Signature: _____

Date: 4/6/24

Information Return for Tax-Exempt Governmental Obligations

Under Internal Revenue Code section 149(e)

See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

CMB No. 1548-0720

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>
1 Issuer's name Brownsville Independent School District		2 Issuer's employer identification number (EIN) <input checked="" type="checkbox"/>
3a Name of person (other than issuer) with whom the RS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street for P.O. box if mail is not delivered to street address 1900 East Price Road	Room/suite	5 Report number (For RS Use Only)
6 City, town, or post office, state, and ZIP code Brownsville, TX 78521		7 Date of issue 07/15/2024
8 Name of issuer		9 CUSIP number
10a Name and title of officer or other employee of the issuer whom the RS may call for more information (see instructions)		10b Telephone number of officer or other employee shown on 10a

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.		
11 Education	11	
12 Health and hospital	12	
13 Transportation	13	3,290,163 00
14 Public safety	14	
15 Environment (including sewage bonds)	15	
16 Housing	16	
17 Utilities	17	
18 Other. Describe <input type="checkbox"/>	18	
19 If obligations are TANS or RANS, check only box 19a <input type="checkbox"/>		
If obligations are BANS, check only box 19b <input type="checkbox"/>		
20 If obligations are in the form of a lease or installment sale, check box <input checked="" type="checkbox"/>		

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	08/15/28	\$ 3,290,163.00	\$	5 years	

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)		
22 Proceeds used for accrued interest	22	
23 Issue price of entire issue (enter amount from line 21, column (b))	23	3,290,163 00
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	
25 Proceeds used for credit enhancement	25	
26 Proceeds allocated to reasonably required reserve or replacement fund	26	
27 Proceeds used to currently refund prior issues	27	
28 Proceeds used to advance refund prior issues	28	
29 Total (add lines 24 through 28)	29	
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	3,290,163 00

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.	
31 Enter the remaining weighted average maturity of the bonds to be currently refunded	_____ years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	_____ years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	_____
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	_____

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a	
b	Enter the final maturity date of the GIC ▶ _____		
c	Enter the name of the GIC provider ▶ _____		
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	
38a	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:		
b	Enter the date of the master pool obligation ▶ _____		
c	Enter the EIN of the issuer of the master pool obligation ▶ _____		
d	Enter the name of the issuer of the master pool obligation ▶ _____		
39	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box <input type="checkbox"/>		
40	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/>		
41a	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:		
b	Name of hedge provider ▶ _____		
c	Type of hedge ▶ _____		
d	Term of hedge ▶ _____		
42	If the issuer has superintegrated the hedge, check box <input type="checkbox"/>		
43	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box <input type="checkbox"/>		
44	If the issuer has established written procedures to monitor the requirements of section 148, check box <input type="checkbox"/>		
45a	If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement ▶ _____		
b	Enter the date the official intent was adopted ▶ _____		

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return to the person that I have authorized above.

Signature of issuer's authorized representative _____ Date _____ Type or print name and title _____

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶	Firm's EIN ▶			
Firm's address ▶	Phone no. ▶			

Santander Lease Agreement Terms Sheet

Lessor Longhorn Bus Sales
9100 N Loop East
Houston, TX 77029

Lessee Brownsville Independent School District
1900 E Price Road
Brownsville, TX 78521

Equipment Description / Quantity		1	
		Group of 20 School Buses	
Qty	Model /Description	Total Sales Price	
7	2025 IC CE 44 SPED	\$162,616.00	\$1,138,312.00
13	2025 IC CE 77 pass	\$165,527.00	\$2,151,851.00
20			\$3,290,163.00

Schedule of Terms	Payment Date	Per Quantity		Total for Group		Combined Min Insurance For Equip After Payments
		Payment amount	Implied Interest	Payment Amount	Implied Interest	
Initial payment	8/15/2024	724,763.00	13,552.77	724,763.00	13,552.77	2,704,031.98
Second Payment	8/15/2025	724,763.00	125,079.21	724,763.00	125,079.21	2,075,263.53
Third Payment	8/15/2026	724,763.00	95,994.56	724,763.00	95,994.55	1,415,999.81
Fourth Payment	8/15/2027	724,763.00	65,499.28	724,763.00	65,499.28	724,763.00
Fifth Payment	8/15/2028	724,763.00	33,526.19	724,763.00	33,526.19	0.00

Signed by: _____

Rate may be adjusted/indexed: LOCKED 150 days prior to delivery to current market

INSURANCE COMPANY AND COVERAGE INFORMATION SHEET

Please insert VIN(s)# and send to your Insurance Agent immediately!!!!

Agency should fax completed Certificate of Insurance to - 888-853-0484

TO: Longhorn Bus Sales
9100 N Loop East
Houston, TX 77029

From Brownsville Independent School
1900 E. Price Road
Brownsville, TX 78521

INSURANCE. COMPANY AND COVERAGE

* Company _____
Address _____
City/ST/Zip _____
Agent _____
Phone Number _____

Emg!!

✓ Fax Number _____

In Agreement with the Types and Amounts listed in the Insurance Section of Santanders Lease Agreement paragraph 8, the Insurance Company / Agent listed above, has been asked to issue a Certificate of Insurance naming Santander Bank as Loss Payee and additional Insured. Please list all VIN's on COI.

Type

Public Liability and Property Damage(Comprehensive)

Amount

\$1,000,000.00 Combined Single Limit
(per occurrence)

Collision, Fire and Theft (All Risk)

Combined Minimum for Collision, Fire and Theft(Risk)

Not less than replacement Value

\$ 3303715.77

Lessee

Brownsville Independent School District

Responsible Official

Title

VIN #

Lessor: Longhorn Bus Sales
9100 N Loop East
Houston, TX 77029

Lessee: Brownsville Independent School District
1900 E. Price Road
Brownsville, TX 78521

Amortization per unit or per group.

1 Group of 20 School Buses

Nominal Annual Rate:

4.850%

CASH FLOW DATA

Event	Date	Amount	Number	Period
1 Loan	7/15/2024	3,290,163.00	1	
2 Payment	8/15/2024	724,763.00	5	Annual

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	7/15/2024				3,290,163.00
1	8/15/2024	724,763.00	13,552.77	711,210.23	2,578,952.77
2	8/15/2025	724,763.00	125,079.21	599,683.79	1,979,268.98
3	8/15/2026	724,763.00	95,994.55	628,768.45	1,350,500.53
4	8/15/2027	724,763.00	66,499.28	658,263.72	691,236.81
5	8/15/2028	724,763.00	33,526.19	691,236.81	0.00
Grand Totals		3,623,815.00	333,652.00	3,290,163.00	

Rate may be adjusted (indexed/ LOCKED 150 days prior to delivery to current market

(non-escrow)

ASSIGNMENT AND SECURITY AGREEMENT

THIS ASSIGNMENT AND SECURITY AGREEMENT, made and entered into as of the 15th day of July, 2024 (this Agreement), by and between Longhorn Bus Sales, a corporation duly organized and existing under the laws of the state of Texas having its principal office at 9100 N Loop E, Houston, TX 77029 (Assignor), and Santander Bank, N.A., having its principal office at 3 Huntington Quadrangle, #101N, Melville, NY 11747 (Assignee);

WITNESSETH THAT, in consideration of the mutual covenants herein contained, the parties hereto recite and agree as follows:

Section 1. Recitals.

1.01 Assignor and Brownsville ISD (Lessee) have entered into a Lease Purchase Agreement dated as of July 15th, 2024 (the Lease), a true and correct copy of which has been furnished to Assignee.

1.02 The Lease provides for the lease by Assignor to Lessee of certain property described in Exhibit ___ to the Lease (the Equipment); for the transfer of legal title to the Equipment to Lessee; for the payment of payments described in Exhibit ___ to the Lease (the Rental Payments) by Lessee with respect to the Equipment; and for the retention by Assignor of a security interest in the Equipment until payment of all Rental Payments due under the Lease or the exercise by Lessee of its option to purchase the Equipment.

1.03 Assignor desires to assign all of its right, title and/or interest in and to the Lease, the Rental Payments and other amounts due thereunder, the Equipment and its right to exercise all rights conferred upon it under the Lease to Assignee, and Assignee desires to obtain such assignment, on the terms and conditions specified in this Agreement.

1.04 Assignor and Assignee each have authority to enter into this Agreement, have duly authorized its execution and delivery, and through their duly qualified officers have duly executed and delivered this Agreement.

Section 2. Assignment and Acceptance.

2.01 Assignor hereby sells, assigns and transfers to Assignee, without recourse, all of its right, title and/or interest in and to the Lease and all regularly scheduled Rental Payments due under the Lease and all other payments due to Assignor under the Lease; to its security interest in the Equipment and the proceeds thereof; and to its right to exercise all rights conferred upon it under the Lease.

2.02 Assignee hereby agrees to accept the assignment made in Section 2.01, upon completion by Assignor of its obligations under Section 4.01 of this Agreement.

2.03 Assignor irrevocably constitutes and appoints Assignee and any present or future officer or agent of Assignee, or the successors or assigns of Assignee, as its lawful attorney, with full power of substitution and resubstitution, and in the name of Assignor or otherwise, to collect the Rental Payments and any other amounts due under the Lease and to sue in any court for payments due under the Lease, or any part thereof, to withdraw or settle any claims, suits or proceedings pertaining to or arising out of the Lease upon any terms, and to enforce the security interest created by the Lease, all without notice to or assent of Assignor, and, further, to take possession of and to endorse in the name of Assignor any instrument for the payment of money received on account of payments due under the Lease.

Section 3. Continuing Obligations of Assignor.

3.01 Assignor specifically agrees that all of the obligations imposed upon Assignor under the Lease are not assigned to Assignee and shall be performed by Assignor, whether the obligation of performance arises before or after the effective date of the assignment made in Section 2.01 of this Agreement.

3.02 Assignor is not assigning any of its duties or obligations under the Agreement to Assignee, including but not limited to any representations and warranties of Assignor, and Assignee shall not be deemed to have assumed any of those obligations, duties, representations or warranties by virtue of this Assignment.

3.03 In the event of a default by Lessee under the Lease or a termination of the Lease by Lessee for nonappropriation of funds thereunder, Assignor agrees to make all reasonable efforts to cooperate fully with Assignee or its assigns in the exercise of the rights under the Lease vested in Assignee by this Agreement, provided that Assignor shall not be required to incur any expenses (other than internal administrative costs) in connection therewith.

3.04 From and after the payment of the amount specified in Section 4.01 of this Agreement, Assignor shall have no beneficial interest in the Equipment, and shall make available to Assignee all authorizations, documents, legal opinions and other like items in its possession relating to the Lease or the Equipment.

Section 4. Obligations of Assignee.

4.01 In consideration of the assignment made in Section 2.01 of this Agreement, Assignee agrees to pay Assignor the sum of \$_____, the receipt of which is hereby acknowledged, upon receipt of the following items: (1) the completed and executed Lease and all related closing papers and certificates reasonably requested by Assignee; (2) evidence of the perfection of Assignor's security interest in the Equipment and the proceeds thereof; (3) evidence of the assignment of such security interest from Assignor to Assignee; (4) the legal opinion of counsel to Lessee required to be provided by Lessee under the Lease; (5) an acknowledgment of the effectiveness of the assignment herein made by Lessee; and (6) a financing statement showing Assignor as debtor evidencing Assignee's right, title and interest in and to the Lease and the Rental Payments and other amounts due thereunder.

4.02 Except as provided in Section 4.01 of this Agreement, Assignee shall incur no obligation with respect to the Lease or the Equipment.

Section 5. Assignment. Assignee's rights under the Lease and in the Equipment, including, without limitation, its rights to receive and enforce payment of the Rental Payments to be made by Lessee and its security interest in the Equipment and the proceeds thereof, may be assigned and transferred and reassigned and transferred in whole or in part to one or more assignees or subassignees of Assignee at any time, without the consent of Assignor. All such assignments and transfers shall be subject to the rights of Lessee under the Lease.

Section 6. Warranties and Covenants of Assignor. Assignor hereby represents, warrants and covenants to and with Assignee that, upon the date of execution of this Agreement and the performance of the actions specified in Section 4.01 hereof, the following facts are and will be true and correct:

(a) Assignor is a corporation duly organized, validly existing and in good standing under the laws of the state of Texas, with corporate powers and authority to own its property and carry on its business as now being conducted.

(b) Assignor has full power, authority and legal right to enter into and perform its obligations under the Lease and this Agreement and the execution, delivery and performance thereof have been duly authorized by all necessary corporate actions on the part of Assignor, do not require any stockholder approval or the approval or consent of any trustee or holder of any indebtedness or obligations of Assignor or such required approvals and consents have heretofore been duly obtained.

(c) Assignor covenants, warrants and represents that the execution, delivery and performance of the Lease and this Agreement do not contravene any provision of the Articles of Incorporation or Bylaws of Assignor and do not and will not result in any breach of or constitute a default under any indenture, mortgage, contract, agreement or instrument to which Assignor is a party or by which it or its property is bound.

(d) Assignor reasonably believes that there is no pending or, to the knowledge of Assignor, threatened action or proceeding before any court or administrative agency which will materially adversely affect the ability of Assignor to perform its obligations under the Lease and this Agreement.

(e) Assignor covenants, warrants and represents that the Lease and the Equipment are free and clear of all claims, liens, security interests and encumbrances of any kind or character except the rights of Lessee under the Lease, and that the same shall be and remain free of all claims, liens, security interests and encumbrances arising through any act or omission of Assignor or any person claiming by, through or under it.

(f) Assignor covenants, warrants and represents that Assignor will make appropriate notations on its books and records with entries regarding the Lease and the Equipment indicating the making of this Agreement.

(g) This Agreement and the Lease are valid and binding obligations of Assignor enforceable in accordance with their terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws relating to the enforcement of creditor's rights.

(h) The Lease is in full force and effect, there is currently no default in payments to be made by Lessee pursuant thereto, Lessee has asserted no set-off, counterclaim or defense with respect to its obligations to perform in accordance with the terms of the Lease, and to the best of Assignor's knowledge there has been no default in the performance of any other material obligation thereunder or breach of any other material term therein by Lessee.

(i) To the best of Assignor's knowledge, there is no dispute between Lessee and any vendor of Equipment relating to the performance of such vendor under its contract to manufacture, deliver or furnish Equipment. Lessee has not failed to accept, or failed to provide a certificate of acceptance with respect to, any Equipment delivered to it.

(j) This Agreement, upon payment of the purchase price set forth in Section 4.01, will vest in Assignee all right, title and interest in and to the Lease, the Equipment, and the right to receive the Rental Payments and other amounts due under the Lease, subject to no lien, encumbrance or claim adverse to Assignee and subject only to the rights of Lessee under the Lease.

(k) Assignor has a first priority security interest in the Equipment, superior to any other liens and encumbrances. Assignor has no knowledge of liens or encumbrances created by Lessee which have attached to the Equipment, Lease or Rental Payments. Assignor has not assigned or pledged or otherwise encumbered its right, title and interest in and to the Lease, Rental Payments or Equipment and will not do so in the future.

Section 7. Administrative Provisions.

7.01 This Agreement shall inure to the benefit of and shall be binding upon Assignor and Assignee and their respective successors and assigns.

7.02 In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

7.03 This Agreement may be amended or any of its terms modified only by written amendment authorized and duly executed by Assignor and Assignee.

7.04 This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

7.05 This Agreement shall be governed by and construed in accordance with the laws of the state of Texas.

**NOTICE OF ASSIGNMENT
AND
LETTER OF DIRECTION**

Longhorn Bus Sales ("Lessor") hereby gives notice to Brownsville ISD ("Lessee") that it has assigned all of its rights to receive payments under the Lease Purchase Agreement dated EST. July 15, 2024, and in any of the Equipment now or hereafter leased thereunder, including without limitation all amounts of rent, insurance, and condemnation proceeds, indemnity or other payment proceeds due to become due as a result of the sale, lease or other disposition of the Equipment, all rights to receive notices and give consents and to exercise the rights of the Lessor under the Lease, and all rights, claims and causes of action which Assignor may have against the manufacturer or seller of the Equipment in respect of any defects therein.

This Lease Purchase Agreement, As of the date of assignment, All payments remain on the contract and should be forwarded to the assignee at the following address:

"ASSIGNEE"

Santander Bank, N.A.
P. O. Box 847386
Boston, MA 02284-7386
1-800-238-4009

FEIN: 23-1237295

Any assigned payments received by Lessor are received in trust for assignee and will be immediately delivered to Assignee.

LONGHORN BUS SALES
(Lessor/Assignor)

BY: 

TYPED: Marcos Gutierrez _____

TITLE: Salesman _____

DATE: 6/6/23 _____

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT
(Lessee)

BY: _____

TYPED: _____

TITLE: _____

DATE: _____