



Gila County, AZ
Linda Haught Ortega, Recorder
09/06/2007
01:31PM
Doc Code: CONT

Doc Id: 2007-0149
Receipt #: 58824
Rec Fee: 0.00

BOARD OF SUPERVISORS

When recorded deliver to:

Marian Sheppard, Chief Deputy Clerk
Gila County Board of Supervisors
(9/4/07 #4)



2007-014934

Page: 1 of 15
09/06/2007 01:31F
0.00

Gila County, AZ

CONT



CAPTION HEADING:

Property Schedule No. 2
Master Tax-Exempt Lease/Purchase Agreement
Between
Gila County (Recorder's Office)
and
Key Government Finance, Inc.

DO NOT REMOVE

This is part of the official document

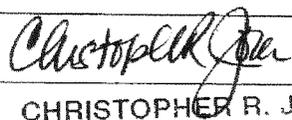


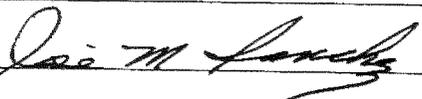
Gila County, AZ CONT
Master Tax-Exempt Lease/Purchase Agreement

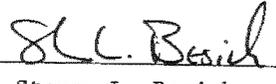
This **Property Schedule No. 2** is entered into as of the Commencement Date set forth below, pursuant to that certain Master Tax-Exempt Lease/Purchase Agreement (the "Master Agreement"), dated as of 4/14/2004, between Key Government Finance, Inc., and Gila County.

1. **Interpretation.** The terms and conditions of the Master Agreement are incorporated herein by reference as if fully set forth herein. Reference is made to the Master Agreement for all representations, covenants and warranties made by Lessee in the execution of this Property Schedule, unless specifically set forth herein. In the event of a conflict between the provisions of the Master Agreement and the provisions of this Property Schedule, the provisions of this Property Schedule shall control. All capitalized terms not otherwise defined herein shall have the meanings provided in the Master Agreement.
2. **Commencement Date.** The Commencement Date for this Property Schedule is 8/30/2007.
3. **Property Description and Payment Schedule.** The Property subject to this Property Schedule is described in Exhibit A hereto. Lessee shall not remove such property from the locations set forth therein without giving prior written notice to Lessor. The Rental Payment Schedule for this Property Schedule is set forth in Exhibit 1.
4. **Opinion.** The Opinion of Lessee's Counsel is attached as Exhibit 2.
5. **Lessee's Certificate.** The Lessee's Certificate is attached as Exhibit 3.
6. **Proceeds.** Lessor shall disburse the proceeds of this Property Schedule in accordance with the instructions attached hereto as Exhibit 4.
7. **Acceptance Certificate.** The form of Acceptance Certificate is attached as Exhibit 5.
8. **Additional Purchase Option Provisions.** In addition to the Purchase Option provisions set forth in the Master Agreement, Rental Payments payable under this Property Schedule shall be subject to prepayment as follows: See termination amount in Exhibit 1 (Payment Schedule), subject to per diem adjustment.
9. **Bank Qualification and Arbitrage Rebate.** Attached as Exhibit 6.
10. **Expiration.** Lessor, at its sole determination, may choose not to accept this Property Schedule if the fully executed, original Agreement (including this Property Schedule all ancillary documents) are not received by Lessor at its place of business by 8/30/2007.

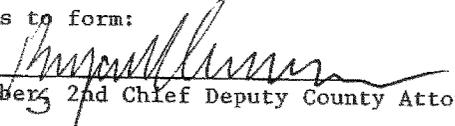
IN WITNESS WHEREOF, Lessor and Lessee have caused this Property Schedule to be executed in their names by their duly authorized representatives as of the Commencement Date above.

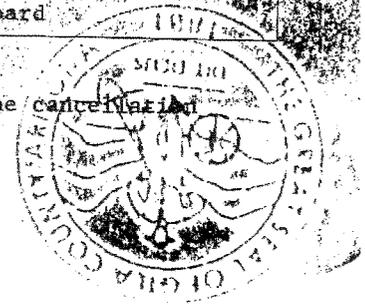
Lessor: Key Government Finance, Inc.
By: 
CHRISTOPHER R. JONES
Name: DIRECTOR
OPERATIONS & SYNDICATIONS
Title:

Lessee: Gila County
By: 
Name: Jose M. Sanchez
Chairman, Gila County
Board of Supervisors
Title:

Attest
By: 
Name: Steven L. Besich
Title: Clerk of the Board

Cancellation pursuant to A.R.S. 38-511. This Contract is subject to the cancellation provision to A.R.S. 38-511.

Approved as to form:

 Bryan Chambers, 2nd Chief Deputy County Attorney





EXHIBIT

Gila County, AZ

CONT

Property Description and Payment Schedule

Re: **Property Schedule No. 2** to Master Tax-Exempt Lease/Purchase Agreement between Key Government Finance, Inc. and Gila County.

The Property is as follows: The Property as more fully described in Exhibit A incorporated herein by reference and attached hereto.

EQUIPMENT LOCATION: 1400 E. Ash St., Globe, AZ 85501

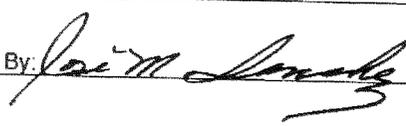
USE: General Government - This use is essential to the proper, efficient and economic functioning of Lessee or to the services that Lessee provides; and Lessee has immediate need for and expects to make immediate use of substantially all of the Property, which need is not temporary or expected to diminish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

Rental Payment Schedule

If the Due Dates are not defined in this Rental Payment Schedule, they shall be defined as the last day of each monthly period of this Rental Payment Schedule commencing with the Acceptance Date.

Total Principal Amount \$247,246.56

Payment No.	Due Date	Rental Payment	Principal	Interest	Termination
1	30-Sep-2007	86,548.46	85,602.74	945.72	166,493.14
2	30-Sep-2008	86,548.46	78,970.91	7,577.55	85,153.10
3	30-Sep-2009	86,548.46	82,672.91	3,875.55	0.00

Lessee: Gila County
By: 
Name: Jose M. Sanchez Chairman, Gila County Board of Supervisors
Title:





EXHIBIT, Gila County, AZ

CONT

Property Description

Receipt & label printers & software

Lessee's Counsel's Opinion

[To be provided on letterhead of Lessee's counsel.]

[Address to Lessor and Lessee]

RE: Property Schedule No. 2 to Master Tax-Exempt Lease/Purchase Agreement between Key Government Finance, Inc. and Gila County.

Ladies and Gentlemen:

We have acted as special counsel to Gila County ("Lessee"), in connection with the Master Tax-Exempt Lease/Purchase Agreement, dated as of 4/14/2004 (the "Master Agreement"), between Gila County, as lessee, and Key Government Finance, Inc. as lessor ("Lessor"), and the execution of Property Schedule No. 2 (the "Property Schedule") 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 Property Schedule.

As to questions of fact material to our opinion, we have relied upon the representations of Lessee in the Master Agreement and the Property Schedule 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 Property Schedule and to perform its obligations thereunder.
3. The execution, delivery and performance of the Master Agreement and the Property Schedule 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 Property Schedule, 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 Property Schedule, and has entered into the Master Agreement and the Property Schedule, 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 Property Schedule.
7. The Master Agreement and the Property Schedule 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 Property Schedule or of other agreements similar to the Master Agreement; (b) questioning the authority of Lessee to execute the Master Agreement or the Property Schedule, or the validity of the Master Agreement or the Property Schedule, or the payment of principal of or interest on, the Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Master Agreement and the Property Schedule; or (d) affecting the provisions made for the payment of or security for the Master Agreement and the Property Schedule.

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 Property Schedule) 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.

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 Property Schedule.

Very truly yours,

By: _____

DO NOT SIGN THIS FORM – MUST BE ON LETTERHEAD OF LESSEE’S COUNSEL

Dated: _____



2007-014934

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09/06/2007 01:31P

0.00

Gila County, AZ

CONT



Lessee's Certificate

Re: **Property Schedule No. 2 to Master Tax-Exempt Lease/Purchase Agreement between Key Government Finance, Inc. and Gila County.**

The undersigned, being the duly elected, qualified and acting Chairman of the Gila County ("Lessee") do hereby certify, as of 8/30/2007, as follows:

1. Lessee did, at a meeting of the governing body of the Lessee held 9/4/07 by resolution or ordinance duly enacted, in accordance with all requirements of law, approve and authorize the execution and delivery of the above-referenced Property Schedule (the "Property Schedule") and the Master Tax-Exempt Lease/Purchase Agreement (the "Master Agreement") by the following named representative of Lessee, to wit:

NAME OF EXECUTING OFFICIAL (Official who signed the documents.)	TITLE OF EXECUTING OFFICIAL	SIGNATURE OF EXECUTING OFFICIAL
Jose M. Sanchez And/ Or	Chairman, Gila County Board of Supervisors	<i>Jose M. Sanchez</i>

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

3. The meeting(s) of the governing body of the Lessee at which the Master Agreement and the Property Schedule were approved and authorized to be executed was duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, and the enactment approving the Master Agreement and the Property Schedule 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 Master Agreement and the Property Schedule have been: (a) held within the geographic boundaries of the Lessee; (b) open to the public, allowing all people to attend; (c) conducted in accordance with internal procedures of the governing body; and (d) conducted in accordance with the charter of the Lessee, if any, and the laws of the State.

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

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

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

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

Gila County
By: <i>SLC Basilio</i>
Title: Clerk of Gila County Board of Supervisors
SOMEONE OTHER THAN THE EXECUTING OFFICIAL(S) SHOWN ABOVE MUST SIGN HERE.



EXHIBIT

Gila County, AZ

CONT

Payment of Proceeds Instructions

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

Re: Property Schedule No. 2 (the "Property Schedule") to Master Tax-Exempt Lease/Purchase Agreement between Key Government Finance, Inc. ("Lessor") and Gila County ("Lessee").

Ladies and Gentlemen:

The undersigned, an Authorized Representative of the Lessee hereby requests and authorizes Lessor to disburse the net proceeds of the Property Schedule as follows:

Name of Payee: _____

By check _____

By wire transfer _____

If by check, Payee's address: _____

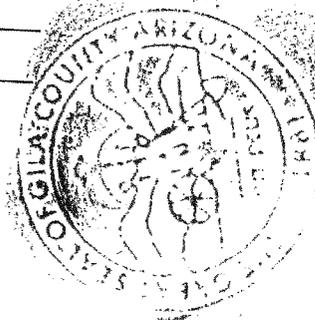
If by wire transfer, pay to:

Bank Name:
Bank Address:
Bank City, State, Zip:
Bank Phone:
For Account of:
Account No.:
ABA No.:

Gila County

By:

Name: Jose M. Sanchez
Chairman, Gila County Board
Title: of Supervisors





Acceptance Certificate

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

Re: **Property Schedule No. 2** to Master Tax-Exempt Lease/Purchase Agreement between Key Government Finance, Inc. and Gila County

Ladies and Gentlemen:

In accordance with the above-referenced Master Tax-Exempt Lease/Purchase Agreement (the "Master Agreement"), the undersigned ("Lessee") hereby certifies and represents to, and agrees with, Key Government Finance, Inc. ("Lessor"), as follows:

- (1) The Property, as such terms are defined in the above-referenced Property Schedule, has been acquired, made, delivered, installed and accepted on the date indicated below.
- (2) Lessee has conducted such inspection and/or testing of the Property as it deems necessary and appropriate and hereby acknowledges that it accepts the Property for all purposes.
- (3) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default or an Event of Nonappropriation (as such terms are defined in the Master Agreement) exists at the date hereof.

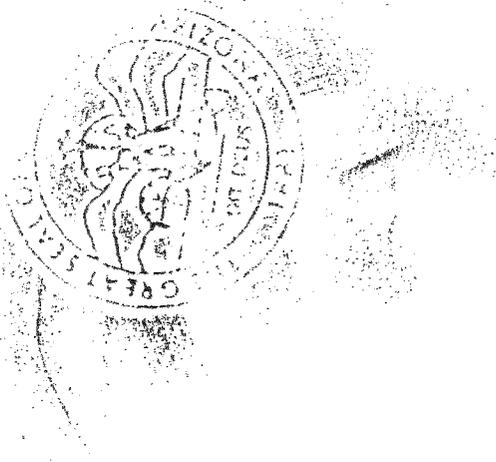
Date: 9/4/07

Gila County
as Lessee

By: *Jose M Sanchez*

Name: Jose M. Sanchez
Chairman, Gila County Board
of Supervisors

Title: of Supervisors





Bank Qualification And Arbitrage Rebate

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

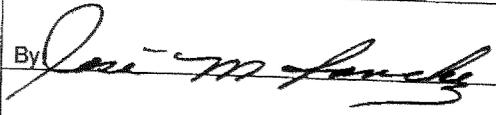
Re: **Property Schedule No. 2** to Master Tax-Exempt Lease/Purchase Agreement Key Government Finance, Inc. and Gila County

Qualified Tax-Exempt Obligation

This section intentionally left blank

Arbitrage Rebate.

(a) Lessee is a governmental unit under the law of the State with general taxing powers, (b) this Property Schedule is not a private activity bond as defined in Section 141 of the Code, and (c) 95% or more of the net proceeds of this Property Schedule will be used for local government activities of Lessee.

Lessee: Gila County	
By:	
Name:	Jose.M. Sanchez Chairman, Gila County Board of Supervisors
Title:	



****Please fill out this form and fax i**



Gila County, AZ

CONT

Request for Certificate of Insurance

TO:

Insurance Carrier: (Name) _____
(Address) _____
(Address) _____
(Contact Name) _____
(Contact Phone) _____
(Contact Fax) _____

FROM:

Customer/Lessee: Gila County
1400 E. Ash St.
Globe, AZ 85501
Contact Name: Chief Deputy Recorder Ms. Sadie Dalton
Contact Phone: 928-402-8735
Contact Fax: 928-425-7056

Gila County is in the process of financing receipt and label printers and software with Key Government Finance, Inc..

Gila County requests that Key Government Finance, Inc. be listed as "Key Government Finance, Inc., their successors and assigns" and that it be named **ADDITIONAL INSURED** as to liability coverage and **LOSS PAYEE** as to property coverage. A copy of said certificate should be forwarded to Key Government Finance, Inc. as described below.

NOTE: Coverage is to include:

- (1) insurance against all risks of physical loss or damage to the Equipment;
- (2) commercial general liability insurance (including blanket contractual liability coverage and products liability coverage) for personal and bodily injury and property damage of not less than \$1,000,000; and
- (3) if applicable, automobile liability coverage of not less than \$3,000,000.

Key Government Finance, Inc. is to receive **30 days** prior written notice of cancellation or material change in coverage. **Qualifying language such as "endeavor to provide"; "but failure to do so shall impose no obligation or liability of any kind upon the insurer, its agents or representative" or the like will NOT be accepted and will delay funding.**

- 1.** Please **FAX** this completed information to:
Key Government Finance, Inc.
Myra Dawson, Account Manager
Phone Number: 720-304-1291
Fax Number: 720-304-1479
- 2.** Please **MAIL** a Certificate of Insurance to:
Key Government Finance, Inc.
Myra Dawson
1000 S. McCaslin Boulevard
Superior, CO 80027
- 3.** Please **CONTACT** the Account Manager:
 - ✓ When faxing this Certificate.
 - ✓ If this cannot be completed today.
 - ✓ If you have any questions.



NOTIFICATION OF TAX TREATMENT

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

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

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

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

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

Additional comments:

Lessee: Gila County
By: <i>Jose M Sanchez</i>
Name: Jose M. Sanchez Chairman, Gila County Board
Title: of Supervisors





INSTRUCTIONS FOR COMPLETING THE 8038 FORM

Per the Internal Revenue Service, you are required to fill in the Report Number information for Line 4 (if the form included in your package is an 8038-G).

****We must have this information in order to complete your financing.****

8038-G Line 4. After the preprinted 3, enter two self-designated numbers. Number the reports consecutively during each calendar year. (If this is the first tax-exempt financing that you have entered into this year, you would use the number 01. If this is the eleventh tax-exempt financing that you have entered into this year, you would use the number 11.)

Additionally, please sign at the bottom of the form and remember to print your name and title.

Thank you.

Information Return for Tax-Exempt

(Under Internal Revenue Code Section 103) **Gila County, AZ**
See separate instructions.



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

CONT

Part I Reporting Authority

1 Issuer's name
Gila County

2 Issuer's employer identification number
86-6000444

3 Number and street (or P. O. box if mail is not delivered to street address)
1400 E. Ash St.

4 Report number
3

5 City, town, or post office, state, and ZIP code
Globe, AZ 85501

6 Date of issue

7 Name of issue
Property Schedule No. 2 to Master Tax-Exempt Lease/Purchase Agreement

8 CUSIP number

9 Name and title of officer or legal representative whom the IRS may call for more information
Chief Deputy Recorder Ms. Sadie Dalton,

10 Telephone number of officer or legal representative
928-402-8735

If Amended Return, check here

Part II Type of Issue (check applicable box(es) and enter the issue price for each) See instructions and attach schedule

<input type="checkbox"/>	11 Education	11	
<input type="checkbox"/>	12 Health and hospital	12	
<input type="checkbox"/>	13 Transportation	13	
<input type="checkbox"/>	14 Public Safety	14	
<input type="checkbox"/>	15 Environmental (including sewage bonds)	15	
<input type="checkbox"/>	16 Housing	16	
<input type="checkbox"/>	17 Utilities	17	
<input checked="" type="checkbox"/>	18 Other. Describe (see instructions) <u>Office equipment, fu</u>	18	\$247,246
<input type="checkbox"/>	19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/>		
<input type="checkbox"/>	20 If obligations are in the form of a lease or installment sale, check box <input 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		\$247,246	N/A	2.063 years	4.590

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

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

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

30	Enter the remaining weighted average maturity of the bonds to be currently refunded	N/A	years
31	Enter the remaining weighted average maturity of the bonds to be advance refunded	N/A	years
32	Enter the last date on which the refunded bonds will be called	N/A	
33	Enter the date(s) the refunded bonds were issued	N/A	

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	0.00
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a	0.00
37	Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	0.00
	b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer <input type="checkbox"/> and the date of the issue <input type="checkbox"/>		
38	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box <input type="checkbox"/>		
39	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/>		
40	If the issuer has identified a hedge, check box <input type="checkbox"/>		

Please Sign Here

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.

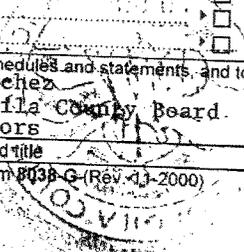
Jose M. Sanchez 09-01-07
Signature of issuer's authorized representative Date

Jose M. Sanchez
Chairman, Gila County Board of Supervisors
Type or print name and title

For Paperwork Reduction Act Notice, see page 2 of the instructions.

Cat. No. 63773S

Form 8038-G (Rev. 11-2000)





LESSEE INVOICE II

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

Gila County, AZ

CONT

Gila County

BILL TO ADDRESS:

Sadie Dalton
Gila County Recorder's Office
1400 E. Ash St.
Globe, AZ 85501

BILLING CONTACT:

First, M.I. and Last Name: Sadie Dalton
Title: Chief Deputy Recorder
Phone Number: 928-402-8735
Fax Number:

PURCHASE ORDER NUMBER:

Invoices require purchase order numbers: YES _____ NO _____
Purchase Order Number:

FEDERAL TAX ID NUMBER:

EQUIPMENT LOCATION (if different from Billing Address):

ADDITIONAL INFORMATION NEEDED ON INVOICE: