

RESOLUTION NO. 02-26-2026 Item #26

A RESOLUTION OF THE COMMISSIONERS COURT OF RAINS COUNTY, TEXAS, AUTHORIZING APPROVAL AND EXECUTION OF A LEASE AGREEMENT WITH U.S. BANK EQUIPMENT FINANCE, SUBJECT TO AMENDMENTS REQUIRED FOR COMPLIANCE WITH TEXAS LAW; PRESERVING THE COUNTY'S GOVERNMENTAL IMMUNITIES; PROVIDING A NON-APPROPRIATION CLAUSE; AND PRO

VIDING FOR RELATED MATTERS.

WHEREAS, Rains County, Texas (the "County"), is a duly organized political subdivision of the State of Texas, acting by and through its Commissioners Court pursuant to Article V, Section 18 of the Texas Constitution and Chapter 81 of the Texas Local Government Code; and

WHEREAS, the Commissioners Court has determined that it is in the public interest and necessary for the conduct of County operations to lease certain equipment as described in the proposed Lease Agreement dated on or about April 16, 2026, between the County and U.S. Bank Equipment Finance, a division of U.S. Bank National Association (the "Agreement"); and

WHEREAS, the Commissioners Court has reviewed the Agreement and finds it generally acceptable, but has identified certain provisions that, as drafted, are inconsistent with, or unenforceable under, Texas law as applied to a Texas county and must be amended or qualified before the Agreement may lawfully be executed by the County; and

WHEREAS, Section 4 of the Agreement (Insurance; Collateral Protection; Indemnity; Loss or Damage) contains broad indemnity, defense, hold-harmless, attorney-in-fact, and waiver provisions which the County lacks constitutional and statutory authority to assume without qualification, in light of Article III, Section 52, Article III, Section 53, and Article XI, Section 7 of the Texas Constitution, the doctrines of sovereign and governmental immunity, and the prohibition against unauthorized pledges or grants of public funds and credit; and

WHEREAS, Section 8 of the Agreement (End of Term) imposes multi-year obligations and automatic successive renewal terms without a non-appropriation clause, which is contrary to Article XI, Section 7 of the Texas Constitution — prohibiting the County from creating any debt unless provision is made at the time of creating such debt for levying and collecting a sufficient tax to pay the interest thereon and provide a sinking fund — and contrary to Chapter 111 of the Texas Local Government Code governing county budgeting on an annual fiscal-year basis; and

WHEREAS, the Commissioners Court desires to approve the Agreement subject to, and conditioned upon, the amendments, reservations, and conditions set forth in this Resolution being

incorporated into the Agreement by written addendum or rider executed contemporaneously with the Agreement; and

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS COURT OF RAINS COUNTY, TEXAS, THAT:

SECTION 1. *Findings Incorporated.* The recitals and findings set forth in the preamble above are true and correct and are incorporated herein by reference as if fully set forth in the body of this Resolution.

SECTION 2. *Approval of Agreement Subject to Amendments.* The Commissioners Court hereby approves the Lease Agreement with U.S. Bank Equipment Finance dated on or about April 16, 2026, subject to and conditioned upon the amendments, reservations, and conditions set forth in Sections 3 through 5 of this Resolution. The County Judge is authorized and directed to execute the Agreement on behalf of the County, together with a written addendum or rider incorporating the amendments required by this Resolution, in form approved by the County Attorney. The County Clerk is authorized to attest the same. The County Judge shall not execute the Agreement unless and until such addendum or rider has been agreed to in writing by U.S. Bank Equipment Finance.

SECTION 3. *Amendment to Section 4 of the Agreement.* Section 4 of the Agreement (Insurance; Collateral Protection; Indemnity; Loss or Damage) is hereby amended by inserting at the very beginning of the section, immediately before the existing text, the following qualifying language:

“To the extent allowed by Texas law,”

Such qualifying language shall apply to and limit every sentence, clause, and obligation set forth in Section 4, including without limitation any provision purporting to require the County to: (a) procure or maintain insurance beyond what is permitted by Texas law; (b) indemnify, defend, hold harmless, or reimburse the Lessor or any other party for any loss, expense, liability, injury, or claim; (c) pay any collateral protection surcharge or property damage surcharge; (d) pay the unpaid balance of the Agreement plus residual value upon a Loss; (e) appoint the Lessor as the County’s attorney-in-fact; or (f) waive any defense, immunity, or right available to the County under the Texas Constitution or Texas statutes. Nothing in Section 4 shall be effective to the extent it is not authorized by, or is inconsistent with, the Texas Constitution, the laws of the State of Texas, or applicable doctrines of sovereign, governmental, or official immunity.

SECTION 4. *Amendment to Section 8 of the Agreement; Non-Appropriation Clause.* Section 8 of the Agreement (End of Term) is hereby amended by (a) inserting at the very beginning of the section, immediately before the existing text, the qualifying language “To the extent allowed by Texas law,” and (b) adding at the end of the section the following non-appropriation clause:

"Notwithstanding any other provision of this Agreement, all obligations of the County hereunder, including the obligation to make Payments, are subject to and contingent upon the annual appropriation of funds for such purposes by the Commissioners Court of Rains County, Texas. This Agreement is not intended to and shall not constitute a debt, liability, or pecuniary obligation of the County within the meaning of Article XI, Section 7 of the Texas Constitution or any other constitutional or statutory limitation. If, in any fiscal year, the Commissioners Court fails to appropriate funds sufficient to pay amounts coming due under this Agreement during the next succeeding fiscal year, this Agreement shall terminate without penalty, termination charge, accelerated payment, residual-value payment, return fee, or other liability of any kind to the County, at the end of the then-current fiscal year for which funds have been appropriated, other than (i) Payments and other amounts properly accrued and unpaid through the date of termination from funds previously appropriated, and (ii) the County's obligation to return the Equipment in the condition required by this Agreement, as such condition is qualified by Texas law. The County shall provide written notice of non-appropriation to the Lessor as soon as reasonably practicable following such failure to appropriate."

In the event the Lessor refuses to accept the foregoing amendment to Section 8, then Section 8 shall be stricken from the Agreement in its entirety, and the County's obligations under the Agreement shall be limited to the initial term, subject in all events to the non-appropriation provisions set forth in this Section 4 of this Resolution.

SECTION 5. *Reservation of Sovereign and Governmental Immunity.* Nothing contained in the Agreement, or in any document executed in connection therewith, shall be construed or applied as a waiver, in whole or in part, of the County's sovereign immunity, governmental immunity from suit or from liability, official immunity of its officials, officers, employees, or agents, or any other defense, immunity, or limitation of liability available to the County under the Texas Constitution, Texas statutes, or the common law of Texas. Any waiver of such immunity may be effected only by clear and unambiguous legislative authorization and is not granted by this Resolution or by the County's execution of the Agreement.

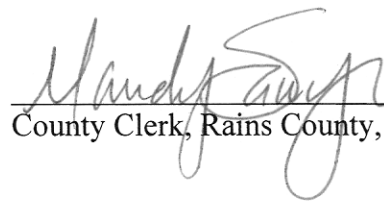
SECTION 6. *Effective Date.* This Resolution shall take effect immediately upon its adoption by the Commissioners Court of Rains County, Texas.

PASSED, APPROVED, AND ADOPTED this 26th day of February, 2026, by the Commissioners Court of Rains County, Texas.



County Judge, Rains County, Texas

ATTEST:



County Clerk, Rains County, Texas





EQUIPMENT FINANCE

EQUIPMENT EXCHANGE AMENDMENT

AGREEMENT #

Amendment to Agreement # 500-0782603-000, between Rains County of as Customer and U.S. Bank Equipment Finance, a division of U.S. Bank National Association ("U.S. Bank Equipment Finance") as Lessor/Secured Party. The words "you" and "your" refer to Customer. The words "we," "us" and "our" refer to Lessor/Secured Party.

The parties wish to amend the above-referenced Agreement as set forth below:

The following specified equipment is hereby REMOVED from the Agreement:

Original Equipment:			
	Description:	Kyocera P7240cdn	Serial Number: RCL3804711
If applicable	Meter Read:	0	Removal Date: 7/15/26
	Description:		Serial Number:
If applicable	Meter Read:		Removal Date:

The following specified equipment ("Equipment") is hereby ADDED to the Agreement:

Substituted Equipment (new unless otherwise specified):			
☐ Equipment location (if different then as stated on the Agreement)			
	Description:	Kyocera 2552ci	Serial Number: W2V7703462
If applicable	Meter Read:	0	Install Date: 7/15/26
	Description:		Serial Number:
If applicable	Meter Read:		Install Date:

together with all replacements, parts, repairs, additions, and accessions incorporated therein or attached thereto and any and all proceeds of the foregoing, including, without limitation, insurance recoveries.

You hereby acknowledge and agree that the above exchange is an even exchange of equipment. The substituted Equipment listed above has been delivered satisfactorily and is irrevocably accepted.

By signing this Amendment, you acknowledge the above changes to the Agreement and authorized Lessor/Secured Party to make such changes. In the event of any conflict between this Amendment and the Agreement, this Amendment shall prevail. In all other respects, the terms and conditions of the Agreement remain in full force and effect and remaining binding on the Customer.

COPY

U.S. Bank Equipment Finance

Lessor/Secured Party

Signature

Title

Date

County of Rains

Customer/

X

Signature

Title

Date

NOTE: CAPITALIZED TERMS IN THIS DOCUMENT ARE DEFINED AS IN THE AGREEMENT, UNLESS SPECIFICALLY STATED OTHERWISE.

RESOLUTION #IV.B.4081326

WHEREAS, the commissioner's Court has reviewed the proposed Equipment Exchange Amendment with U.S.Bank; and

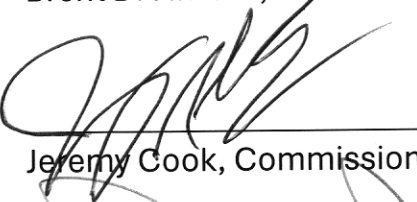
WHEREAS, the amendment is determined to be in the best interest of the County and necessary to facilitate the exchange and continued financing of County equipment;

NOW, THEREFORE, BE IT RESOLVED THAT the Commissioners Court hereby approves the Equipment Exchange Amendment with U.S.Bank, in substantially the form presented to the Court.

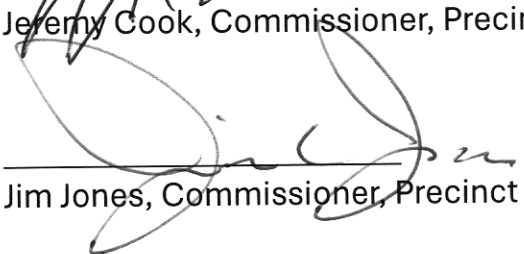
BE IT FURTHER RESOLVED THAT the County Judge is authorized to execute the amendment and any related documents necessary to carry out this resolution.

APPROVED AND ADOPTED 13th day of August, 2026

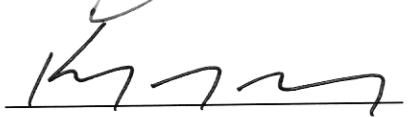
Brent D. Hilliard, Rains County Judge



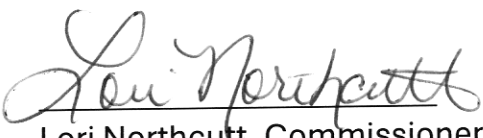
Jeremy Cook, Commissioner, Precinct 1



Jim Jones, Commissioner, Precinct 2



Korey Young, Commissioner Precinct 3



Lori Northcutt, Commissioner Precinct 4