

**ESCROW FUNDING SCHEDULE ADDENDUM  
AND ARBITRAGE CERTIFICATE**

**Dated as of:**           **APRIL 1, 2019**

**Lease Schedule No.:** **1000145174**

**Lessee:**               **CITY OF PASADENA**

**Escrow Agent:**       **DEUTSCHE BANK TRUST COMPANY AMERICAS**

**Escrow Agreement dated as of:**       **APRIL 1, 2019**

**Amount To Be Deposited Into Escrow:** **\$3,252,694.00 ("Lessor's Deposit")**

Reference is made to the above Lease Schedule ("Schedule") to the Master Lease-Purchase Agreement identified in the Schedule ("Master Lease") by and between **JPMORGAN CHASE BANK, N.A.** ("Lessor") and the above lessee ("Lessee"). As used herein, "Lease" shall mean the Schedule and the Master Lease, but only to the extent that the Master Lease relates to the Schedule. This Addendum amends and modifies the terms and conditions of the Lease and is hereby made a part of the Lease. Unless otherwise defined herein, capitalized terms defined in the Master Lease shall have the same meaning when used herein.

NOW, THEREFORE, as part of the valuable consideration to induce the execution of the Lease, Lessor and Lessee hereby agree to amend the Lease as follows:

1. Lessee and Lessor together with the above Escrow Agent ("Escrow Agent") have entered into the above Escrow Agreement ("Escrow Agreement") establishing a fund ("Equipment Acquisition Fund") from which the Purchase Price of the Equipment will be paid.

2. Lessor shall deposit such amount into escrow as is required by the Escrow Agreement, which amount shall be credited to the Equipment Acquisition Fund. Lessee shall pay the balance of the Purchase Price of the Equipment, either by deposit in escrow to the Equipment Acquisition Fund or by direct payment to the Suppliers of the Equipment.

3. The Lease Term of the Lease shall commence on the earlier of the date specified in the Payment Schedule to the Schedule or the date of Lessor's deposit of funds into the Equipment Acquisition Fund. Notwithstanding the statements regarding delivery and acceptance of the Equipment in the Schedule, the parties acknowledge that the Equipment will be accepted as provided in the Escrow Agreement.

4. The delivery of documents and the satisfaction of any other conditions required by the Escrow Agreement or this Addendum shall be additional Funding Conditions for the Lease.

5. Upon Lessee's execution of the Escrow Agreement, Lessee hereby represents and warrants to Lessor that: (a) Lessee has full power, authority and legal right to execute and deliver the Escrow Agreement and to perform its obligations under the Escrow Agreement, and all such actions have been duly authorized by appropriate findings and actions of Lessee's governing body; (b) the Escrow Agreement has been duly executed and delivered by Lessee and constitutes a legal, valid and binding obligation of Lessee, enforceable in accordance with its terms; and (c) the Escrow Agreement is authorized under, and the authorization, execution and delivery of the Escrow Agreement complies with, all applicable federal, state and local laws and regulations (including, but not limited to, all open meeting, public bidding and public investment laws) and all applicable judgments and court orders.

6. The opinion of Lessee's legal counsel will include statements to the same effect as the representations of Lessee in paragraph 5 above.

7. It shall be an additional event of default under the Lease if Lessee fails to pay or perform any of its obligations under the Escrow Agreement or this Addendum or if any of the representations of Lessee in the Escrow Agreement or this Addendum prove to be false, misleading or erroneous in any material respect.

8. **ARBITRAGE CERTIFICATE.** The authorized representative of Lessee who executes this Addendum hereby certifies that he/she is the duly qualified and acting representative of Lessee with the title set forth below his/her signature hereon; that Lessee has executed and delivered the Schedule and the Master Lease (collectively, the "Lease"); that Lessee is a political subdivision of the State identified in the Lease; and that in his/her official capacity as such officer he/she is responsible for executing and delivering, on

behalf of the Lessee, the Lease and this Addendum. This paragraph of this Addendum (hereinafter, this paragraph shall be identified as the "Arbitrage Certificate") is being issued by Lessee as a "no arbitrage certificate" pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulations, Sections 1.148-0 through 1.148.11 (the "Regulations"). Lessee represents and warrants to Lessor that the following facts, estimates and circumstances are in existence on the date of this Arbitrage Certificate or are reasonably expect to occur hereafter.

(a) The Lease provides for the lease of the Equipment described in the Lease by Lessor to Lessee. Under the Lease, Lessee is required to make Rent Payments with respect to the Equipment, comprising principal and interest, on the dates and in the amounts stated in the Payment Schedule to the Lease.

(b) Pursuant to the Lease and for the purpose of meeting its obligations thereunder and assuring the Lessee of the availability of monies needed to pay the cost of the Equipment when due, Lessee, Lessor and the Escrow Agent have executed the Escrow Agreement.

(c) Contracts or purchase orders providing for the acquisition and delivery of the Equipment have been issued by Lessee to Equipment Vendors therefor and the Equipment will be acquired and installed with due diligence. Based upon the provisions of the contracts or purchase orders, the Equipment will be acquired and installed no later than **eighteen (18) months** from the date of the Escrow Agreement ("Funding Expiration Date").

(d) The Escrow Agreement provides that Lessor shall deposit the Lessor's Deposit into escrow to be credited to the Equipment Acquisition Fund created by the Escrow Agreement and utilized to pay for the Equipment as provided therein. It is presently expected that all such funds initially credited to the Equipment Acquisition Fund shall be disbursed to pay for the Equipment, but any such amounts ultimately determined not to be needed for such purposes and the interest earnings on the amounts held in escrow shall be utilized on or after the Funding Expiration Date to pay part of the principal due under the Lease, as provided in the Escrow Agreement.

(e) All of the spendable proceeds of the Lease will be expended on the Equipment and related expenses on or before the Funding Expiration Date.

(f) The original proceeds of the Lease, and interest to be earned thereon, do not exceed the amount necessary for the purpose for which the Lease is issued.

(g) The interest of Lessee in the Equipment has not been and is not expected during the term of the Lease to be sold or disposed of by Lessee.

(h) No sinking fund is expected to be created by Lessee with respect to the Lease and Rental Payments.

(i) Lessee represents, warrants and covenants to one of the following statements of this clause (i) as is initialed by Lessee below [and if Lessee fails to initial its selection, then subclause (A) shall be deemed to have been selected by Lessee]:

\_\_\_\_\_ (A) 100% of the proceeds of the Lease shall be paid for the acquisition of the Equipment within 18 months of the date of the Escrow Agreement in accordance with the following schedule:

No less than 15% within 6 months of the date of the Escrow Agreement;  
No less than 60% within 12 months of the date of the Escrow Agreement; and  
No less than 100% within 18 months of the date of the Escrow Agreement.

\_\_\_\_\_ (B) 100% of the proceeds of the Lease shall be paid for the acquisition of the Equipment within 6 months of the date of the Escrow Agreement.

\_\_\_\_\_ (C) Lessee qualifies for the "small issuer" exemption in section 148(f)(4)(D) of the Code because all of the following are true: (1) Lessee is a governmental unit with general taxing powers, and (2) the Lease is not a "private activity bond" as defined in Section 141 of the Code, and (3) 95% or more of the proceeds of the Lease shall be used for the governmental activities of Lessee, and (4) the aggregate face amount of all tax exempt bonds and other tax exempt obligations (other than "private activity bonds") issued by Lessee (and any subordinate entities of Lessee as contemplated by Section 148(f) of the Code) during the calendar year in which the Lease is issued is not reasonably expected to exceed \$5,000,000.00.

(j) Lessee hereby covenants that Lessee shall comply with all of the requirements of the Code and Regulations relating to the rebate of arbitrage profit to the United States of America (including, without limitation Section 148(f) of the Code) and will rebate to the United States of America all arbitrage profit required thereby.

(k) To the best of the knowledge and belief of the undersigned, the expectations of Lessee, as set forth above, are reasonable; and there are no present facts, estimates and circumstances which would change the foregoing expectations.

(l) Lessee has not been notified of the listing or proposed listing of it by the Internal Revenue Service as an issuer whose arbitrage certificates may not be relied upon.

9. If there is a partial prepayment of principal pursuant to the terms of either clause (c) of Section 2.04 second of the Escrow Agreement or clause (c) of Section 2.05 second of the Escrow Agreement, then in addition to the payment of the Partial Principal Amount, a Break Funding Charge (as defined below) shall be due and payable if (i) exceeds (ii) where (i) equals the interest portion of each of the Rent Payments which would have been paid if such prepayment had not occurred calculated at the interest rate swap including any forward rate swap, if any, which Lessor shall be deemed to have entered into on the earlier of (a) the date the Lease was originally funded or (b) the date a rate lock letter was signed, if any, and (ii) equals the interest portion of each of the Rent Payments which would have been paid if such prepayment had not occurred calculated at the interest rate swap which Lessor shall be deemed to have entered into on the date of prepayment (the "Replacement Swap"). The "Break Funding Charge" equals the present value of the difference between (i) and (ii) for each interest period discounted to a net present value as of the date of prepayment using the fixed interest rate of the Replacement Swap. Lessee acknowledges that (i) Lessor might not fund or hedge its fixed-rate loan portfolio or any prepayment thereof on a loan-by-loan basis at all times, and agrees that the Break Funding Charge is a reasonable and appropriate method of calculating liquidated damages for any prepayment irrespective of whether any of the foregoing hedging transactions have in fact occurred or occurred precisely as stated with respect to the Lease and (ii) all calculations and determinations by the Lessor of the Break Funding Charge or of any element thereof, if made in accordance with its then standard procedures for so calculating or determining such amounts, shall be conclusive absent manifest arithmetic error.

10. Except as expressly amended by this Addendum and other modifications signed by Lessor, the Lease remains unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the date first referenced above.

**CITY OF PASADENA**  
(Lessee)

**JPMORGAN CHASE BANK, N.A.**  
(Lessor)

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: Authorized Officer

ESCROW RECEIPT CERTIFICATE/PAYMENT REQUEST

Dated: \_\_\_\_\_, 20\_\_

Lease Schedule No: 1000145174 dated APRIL 1, 2019

Escrow Agreement Dated: APRIL 1, 2019

1. The undersigned Lessee of the above Lease Schedule and its Master Lease-Purchase Agreement (collectively, the "Lease") hereby acknowledges receipt in good condition of all of the Equipment described on Schedule A-1 to this Receipt Certificate/Payment Request as of the following Acceptance Date and hereby confirms that the Equipment has been installed at the following location:

Acceptance Date: \_\_\_\_\_

Equipment Location: See Attached Schedule A-1

\*\*\*\*\* **FINAL REQUEST: Yes OR No (Please Circle Choice)** \*\*\*\*\*

If this is the **FINAL REQUEST** Lessee hereby confirms that said Equipment together with all other property covered by Receipt Certificates delivered prior to this Receipt Certificate represents **all** of the Equipment to be subject to the Lease.

- 2. Lessee agrees that (a) the undersigned Lessor has not selected, manufactured, sold or supplied any of the Equipment, (b) Lessee has selected all of the Equipment and its suppliers, and (c) Lessee has received a copy of, and approved, the purchase orders or purchase contracts for the Equipment.
3. AS BETWEEN LESSEE AND LESSOR, LESSEE AGREES THAT: (a) LESSEE HAS RECEIVED, INSPECTED AND APPROVED ALL OF THE EQUIPMENT; (b) ALL EQUIPMENT IS IN GOOD WORKING ORDER AND COMPLIES WITH ALL PURCHASE ORDERS OR CONTRACTS AND ALL APPLICABLE SPECIFICATIONS; (c) LESSEE IRREVOCABLY ACCEPTS ALL EQUIPMENT FOR PURPOSES OF THE LEASE "AS-IS, WHERE-IS" WITH ALL FAULTS; AND (d) LESSEE UNCONDITIONALLY WAIVES ANY RIGHT THAT IT MAY HAVE TO REVOKE ITS ACCEPTANCE OF THE EQUIPMENT.
4. Lessee and Lessor hereby request that the Escrow Agent identified in the above Escrow Agreement pay from the Equipment Acquisition Fund established under the Escrow Agreement to each party designated below as Payee, the amount stated below in payment of all or part of the Purchase Price (as such term is used in the Escrow Agreement) as stated below. Lessee hereby confirms that said amount is due and payable under a purchase order or contract relating to the Equipment described herein and has not formed the basis of any prior request for payment.

Payee #1:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Invoice Number: \_\_\_\_\_ Date: \_\_\_\_\_

Amount: \$ \_\_\_\_\_

WIRE INSTRUCTIONS:

Name of Bank: \_\_\_\_\_

ABA No: \_\_\_\_\_

Account Number: \_\_\_\_\_

Account Name: \_\_\_\_\_

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**Payee #2:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Invoice Number: \_\_\_\_\_ Date: \_\_\_\_\_

Amount: \$ \_\_\_\_\_

**WIRE INSTRUCTIONS:**

Name of Bank: \_\_\_\_\_

ABA No: \_\_\_\_\_

Account Number: \_\_\_\_\_

Account Name: \_\_\_\_\_

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**Payee #3:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Invoice Number: \_\_\_\_\_ Date: \_\_\_\_\_

Amount: \$ \_\_\_\_\_

**WIRE INSTRUCTIONS:**

Name of Bank: \_\_\_\_\_

ABA No: \_\_\_\_\_

Account Number: \_\_\_\_\_

Account Name: \_\_\_\_\_

5. If this is a Final Request, then this Receipt Certificate/Payment Request shall constitute a Full Funding Notice and if any funds remain in the Equipment Acquisition Fund established pursuant to the Escrow Agreement (including any remaining amount of the Lessor's Deposit and/or any earnings thereon; collectively referred to as the "Escrow Balance"), then Lessee hereby directs Escrow Agent to pay the Escrow Balance as follows: (a) to Lessee if the Escrow Balance is less than \$500.01; and (b) otherwise to Lessor and Lessor is hereby authorized to apply the Escrow Balance as follows: (i) If Escrow Balance is less than interest paid on the Lease during the previous 18 months the Escrow Balance will be reimbursed to the Lessee (ii) if the Escrow Balance is equal to or less than the next Rent Payment due under the Lease, apply the Escrow Balance to said Rent Payment; or (iii) if the Escrow Balance is greater than the next Rent Payment due under the Lease, apply the Escrow Balance as a partial prepayment of principal under the Lease and Lessor is authorized to send a revised Payment Schedule for the Lease that reflects said prepayment.

6. Lessee will confirm wire instructions by telephone (if required by Lessor) by designating an Authorized Contact ("Contact") for Lessee below. This Contact must be someone who has the requisite knowledge to verify the instructions outlined above AND must be someone other than the authorized signer hereto. Lessee should consider designating more than one Contact to avoid funding delays.

**CITY OF PASADENA**  
(Lessee)

**JPMORGAN CHASE BANK, N.A.**  
(Lessor)

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: Authorized Officer

Contact #1:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Direct Telephone: \_\_\_\_\_

General Telephone: \_\_\_\_\_

Contact Signature: \_\_\_\_\_

Contact #2:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Direct Telephone: \_\_\_\_\_

General Telephone: \_\_\_\_\_

Contact Signature: \_\_\_\_\_

**SCHEDULE A-1**

**Equipment Description**

(This Schedule A-1 is attached to a Receipt Certificate/Payment Request relating to the Lease Schedule.)

**Lease Schedule No: 1000145174 dated APRIL 1, 2019**

The Equipment described below includes all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto.

Equipment Location: \_\_\_\_\_  
\_\_\_\_\_

Equipment Description: \_\_\_\_\_  
\_\_\_\_\_

### Requesting Escrow Disbursement

To request an escrow disbursement, the following documents should be emailed to:  
[cefi.escrow.disbursement.request@jpmchase.com](mailto:cefi.escrow.disbursement.request@jpmchase.com)

#### Invoice(s)

- ✓ Should have a clear description of the equipment including Serial Numbers
- ✓ Should reflect the total amount of the equipment, along with any progress payment due
- ✓ The Purchaser shown on the invoice
- **Wire Transfer instructions of the vendor**
- For California Vendors, an IRS Form 590

If reimbursement for previously paid invoices is being requested, also provide:

- **Proof of Payment**
  - ✓ Copy of the Wire Confirmation
  - ✓ Copy of cancelled check front and back
- Bank Wiring instructions for the account where the funds are to be deposited

If the escrow disbursement is **for titled vehicles**:

- Copy of the Title/MSO front and back or Copy of the Title Application showing:
  - ✓ Purchaser = Legal Entity name of client as shown on the Lease Financing Documents
  - ✓ Lienholder = JPMorgan Chase Bank, N.A., 1111 Polaris Parkway, Suite N4, OH1-1085, Columbus, OH 43240
  - ✓ LA does not require JPMorgan Chase Bank, N.A. to be listed as lien holder on title applications.

#### Completing the Payee Information on the Authorization Form

- The payee name should reflect who we are disbursing funds to
- Multiple invoices can be grouped together for a unique vendor (please include a spreadsheet of each of the invoices to be paid and note "see attached" on the invoice detail line).
- Disbursement requests **must be signed by an authorized signer as shown on the Certificate of Incumbency and on the Resolution**

#### Insurance certificate is required for all delivered equipment which certificate includes and is not limited to:

1. PHYSICAL DAMAGE
  - a. Replacement cost coverage for the equipment (physical damage coverage for vehicles) identified on the attached Schedule A-1 and the equipment cost referenced on same.
  - b. "JPMorgan Chase Bank, N.A., its parent and affiliates, successors or assigns" shall be named as Lender's Loss Payee.
2. LIABILITY
  - a. General liability and Auto liability coverage as required must be provided in the amount of **1,000,000.00**, or in the State of Texas in the amount of **\$300,000.00**.
  - b. "JPMorgan Chase Bank, N.A., its parent and affiliates, successors or assigns" shall be named as Additional Insured.
3. Please reference the Insurance Request Letter for further details.

**When the FINAL disbursement from the escrow account is requested**, please complete, sign and send the Receipt Certificate/Payment Request form marked as Final so we can disburse funds and close the escrow account.

Please send the email to the group mail box at [cefi.escrow.disbursement.request@jpmchase.com](mailto:cefi.escrow.disbursement.request@jpmchase.com),



## INSTRUCTIONS FOR SUBMITTING ESCROW DISBURSEMENT REQUESTS

Thank you for choosing **JPMORGAN CHASE BANK, N.A.** to meet your equipment financing needs. To ensure that you receive the quality service you expect from JPMorgan Chase Bank, N.A., we ask that you refer to the following instructions when submitting escrow disbursement requests in the future:

- All Escrow Disbursement Requests should be sent to us at the following email address:

[cefi.escrow.disbursement.request@jpmchase.com](mailto:cefi.escrow.disbursement.request@jpmchase.com)

or to

JPMorgan Chase Bank, N.A.  
Attn: Escrow Specialist  
1111 Polaris Parkway, Suite N4  
Mail Code OH1-1085  
Columbus, OH 43240

- Our Escrow Specialists are prepared to answer your questions regarding anticipated or previous disbursement requests and can be reached at 1-800-678-2601.
- **A complete disbursement request should include the following information to ensure prompt processing:**
  1. Completed and signed Receipt Certificate/Payment Request Form. **PLEASE NOTE:** Escrow Disbursement Requests must bear the original signature by an individual who has been authorized to execute the lease documentation. If you have questions regarding who can sign escrow disbursements, please contact an Escrow Specialist.
  2. Vendor Invoice for the equipment being purchased. (Proof of Payment will also be required if we are reimbursing you)
  3. Insurance will be required on all delivered equipment at the time the disbursements are being processed.
  4. When the Equipment is Motor Vehicles, one of the following must be provided with items 1, 2 and 3 above: (A) the original, or a copy, of the Vehicle Title showing JPMorgan Chase Bank, N.A. as first lienholder or (B) if the original title has not yet been received, a copy (front and back) of the Manufacturer's Statement of Origin (MSO) or Title Application showing JPMorgan Chase Bank, N.A. as lienholder.
- Please clearly indicate on the vendor's invoice whether you wish to pay the vendor by check or by wire transfer. If a wire transfer is requested, please provide wire instructions for each payee. Wire instructions must include the bank name, ABA routing number, account number.

Certain Wire transfers will require that a callback is performed on a recorded line to verify the information that has been provided to us. In order to expedite this process, please provide Contact information on Page 3 of the request form.

When the **FINAL** disbursement from the escrow account is requested, please complete, sign and send the Receipt Certificate/Payment Request form marked as final so we can disburse funds and close the escrow account.

## Tips for Deutsche Bank Electronic Statement Process Oct. 2018

- Deutsche Bank notified the clients of the change to electronic statements in all July 2018 paper statements (sent in early August 2018) to clients still receiving paper statements.
- Clients who receive paper statements should still receive them.
- Clients who received both paper and electronic statements will have the paper statement stopped.
- Repeat Clients who have a new escrow account will receive a new log-in code for additional escrow accounts.
- Current accounts receiving paper only statements will continue to receive paper statements until the escrow account is paid or until the account closes.
- Once an account is opened, paperless statements will be available for the life of the account.
- EF requested the Clients with closing accounts receive a statement showing a zero balance.
- The Clients who fund into escrow will be automatically set up for the electronic statements. They will be notified by Deutsche Bank via email within 7 business days with the Deutsche Bank portal information.
- What if the Client requests only paper statements? – New accounts will be set up for electronic statements only. If a Client needs a paper statement, they should contact the Deutsche Bank Global Service area with their request.
- How is the Deutsche Bank Global Service Area contacted? Their telephone number and/or email address should be in the email the Client receives when their account portal email is received.
- If the Global Service area telephone number and/or email address is not listed and the client needs for assistance and or information, then the client can contact **[dbny-mpescrow@list.db.com](mailto:dbny-mpescrow@list.db.com)** for assistance or to relay an error code. The Deutsche Bank representative will connect the Client with the correct party.