

# ATTACHMENT A



## MASTER LEASE-PURCHASE AGREEMENT

**Dated As of: DECEMBER 23, 2011**

**Lessee: CITY OF PASADENA**

This Master Lease-Purchase Agreement together with all addenda, riders and attachments hereto, as the same may from time to time be amended, modified or supplemented ("Master Lease") is made and entered by and between **JPMORGAN CHASE BANK, N.A.** ("Lessor") and the lessee identified above ("Lessee").

**1. LEASE OF EQUIPMENT.** Subject to the terms and conditions of this Master Lease, Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, all Equipment described in each Schedule signed from time to time by Lessee and Lessor.

**2. CERTAIN DEFINITIONS.** All terms defined in the Lease are equally applicable to both the singular and plural form of such terms. (a) "Schedule" means each Lease Schedule signed and delivered by Lessee and Lessor, together with all addenda, riders, attachments, certificates and exhibits thereto, as the same may from time to time be amended, modified or supplemented. Lessee and Lessor agree that each Schedule (except as expressly provided in said Schedule) incorporates by reference all of the terms and conditions of the Master Lease. (b) "Lease" means any one Schedule and this Master Lease as incorporated into said Schedule. (c) "Equipment" means the property described in each Schedule, together with all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto. (d) "Lien" means any security interest, lien, mortgage, pledge, encumbrance, judgment, execution, attachment, warrant, writ, levy, other judicial process or claim of any nature whatsoever by or of any person.

**3. LEASE TERM.** The term of the lease of the Equipment described in each Lease ("Lease Term") commences on the first date any of such Equipment is accepted by Lessee pursuant to Section 5 hereof or on the date specified in the Schedule for such Lease and, unless earlier terminated as expressly provided in the Lease, continues until Lessee's payment and performance in full of all of Lessee's obligations under the Lease.

### **4. RENT PAYMENTS.**

4.1 For each Lease, Lessee agrees to pay to Lessor the rent payments in the amounts and at the times as set forth in the Payment Schedule attached to the Schedule ("Rent Payments"). A portion of each Rent Payment is paid as and represents the payment of interest as set forth in the Payment Schedule. Lessee acknowledges that its obligation to pay Rent Payments including interest therein accrues as of the Accrual Date stated in the Schedule or its Payment Schedule; provided, that no Rent Payment is due until Lessee accepts the Equipment under the Lease or the parties execute an escrow agreement. Rent Payments will be payable for the Lease Term in U.S. dollars, without notice or demand at the office of Lessor (or such other place as Lessor may designate from time to time in writing).

4.2 If Lessor receives any payment from Lessee later than ten (10) days from the due date, Lessee shall pay Lessor on demand as a late charge five per cent (5%) of such overdue amount, limited, however, to the maximum amount allowed by law.

4.3 EXCEPT AS SPECIFICALLY PROVIDED IN SECTION 6 HEREOF OR IN ANY WRITTEN MODIFICATION TO THE LEASE SIGNED BY LESSOR, THE OBLIGATION TO PAY RENT PAYMENTS UNDER EACH LEASE SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS AND SHALL NOT BE SUBJECT TO ANY SETOFF, DEFENSE, COUNTERCLAIM, ABATEMENT OR RECOUPMENT FOR ANY REASON WHATSOEVER.

### **5. DELIVERY; ACCEPTANCE; FUNDING CONDITIONS.**

5.1 Lessee shall arrange for the transportation, delivery and installation of all Equipment to the location specified in the Schedule ("Location") by Equipment suppliers ("Suppliers") selected by Lessee. Lessee shall pay all costs related thereto.

5.2 Lessee shall accept Equipment as soon as it has been delivered and is operational. Lessee shall evidence its acceptance of any Equipment by signing and delivering to Lessor the applicable Schedule. If Lessee signs and delivers a Schedule and if all Funding Conditions have been satisfied in full, then Lessor will pay or cause to be paid the costs of such Equipment as stated in the Schedule ("Purchase Price") to the applicable Supplier.

5.3 Lessor shall have no obligation to pay any Purchase Price unless all reasonable conditions established by Lessor ("Funding Conditions") have been satisfied, including, without limitation, the following: (a) Lessee has signed and delivered the Schedule and its Payment Schedule; (b) no Event of Default shall have occurred and be continuing; (c) no material adverse change shall have occurred in the Internal Revenue Code of 1986, as amended, and the related regulations and rulings thereunder (collectively, the "Code"); (d) no material adverse change shall have occurred in the financial condition of Lessee or any Supplier; (e) the Equipment is reasonably satisfactory to Lessor and is free and clear of any Liens (except Lessor's Liens); (f) all representations of Lessee in the Lease remain true, accurate and complete; and (g) Lessor has received all of the following documents, which shall be reasonably satisfactory, in form and substance, to Lessor: (1) evidence of insurance coverage required by the Lease; (2) an opinion of Lessee's counsel; (3) reasonably detailed invoices for the Equipment; (4) Uniform Commercial Code (UCC) financing statements; (5) copies of resolutions by Lessee's governing body authorizing the Lease and incumbency certificates for the person(s) who will sign the Lease; (6) such documents and certificates relating to the tax-exempt interest payable under the Lease (including, without limitation, IRS Form 8038G or 8038GC) as Lessor may request; and (7) such other documents and information previously identified by Lessor or otherwise reasonably requested by Lessor.

## **6. TERMINATION FOR GOVERNMENTAL NON-APPROPRIATIONS.**

6.1 For each Lease, Lessee represents and warrants: that it has appropriated and budgeted the necessary funds to make all Rent Payments required pursuant to such Lease for the remainder of the fiscal year in which the Lease Term commences; and that it currently intends to make Rent Payments for the full Lease Term as scheduled in the applicable Payment Schedule if funds are appropriated for the Rent Payments in each succeeding fiscal year by its governing body. Without contractually committing itself to do so, Lessee reasonably believes that moneys in an amount sufficient to make all Rent Payments can and will lawfully be appropriated therefor. Lessee directs the person in charge of its budget requests to include the Rent Payments payable during each fiscal year in the budget request presented to Lessee's governing body for such fiscal year; provided, that Lessee's governing body retains authority to approve or reject any such budget request. All Rent Payments shall be payable out of the general funds of Lessee or out of other funds legally appropriated therefor. Lessor agrees that no Lease will be a general obligation of Lessee and no Lease shall constitute a pledge of either the full faith and credit of Lessee or the taxing power of Lessee.

6.2 If Lessee's governing body fails to appropriate sufficient funds in any fiscal year for Rent Payments or other payments due under a Lease and if other funds are not legally appropriated for such payments, then a "Non-Appropriation Event" shall be deemed to have occurred. If a Non-Appropriation Event occurs, then: (a) Lessee shall give Lessor immediate notice of such Non-Appropriation Event and provide written evidence of such failure by Lessee's governing body; (b) on the Return Date, Lessee shall return to Lessor all, but not less than all, of the Equipment covered by the affected Lease, at Lessee's sole expense, in accordance with Section 21 hereof; and (c) the affected Lease shall terminate on the Return Date without penalty to Lessee, provided, that Lessee shall pay all Rent Payments and other amounts payable under the affected Lease for which funds shall have been appropriated, provided further, that Lessee shall pay month-to-month rent at the rate set forth in the affected Lease for each month or part thereof that Lessee fails to return the Equipment under this Section 6.2. "Return Date" means the last day of the fiscal year for which appropriations were made for the Rent Payments due under a Lease.

**7. LIMITATION ON WARRANTIES. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, AS TO THE MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY OF THE EQUIPMENT OR AS TO THE VALUE, DESIGN, CONDITION, USE, CAPACITY OR DURABILITY OF ANY OF THE EQUIPMENT.** For and during the Lease Term, Lessor hereby assigns to Lessee any manufacturer's or Supplier's product warranties, express or implied, applicable to any Equipment and Lessor authorizes Lessee to obtain the customary services furnished in connection with such warranties at Lessee's sole expense. Lessee agrees that (a) all Equipment will have been purchased by Lessor in accordance with Lessee's specifications from Suppliers selected by Lessee, (b) Lessor is not a manufacturer or dealer of any Equipment and has no liability for the delivery or installation of any Equipment, (c) Lessor assumes no obligation with respect to any manufacturer's or Supplier's product warranties or guaranties, (d) no manufacturer or Supplier or any representative of said parties is an agent of Lessor, and (e) any warranty, representation, guaranty or agreement made by any manufacturer or Supplier or any representative of said parties shall not be binding upon Lessor.

## **8. TITLE; SECURITY INTEREST.**

8.1 Upon Lessee's acceptance of any Equipment under a Lease, title to the Equipment shall vest in Lessee, subject to Lessor's security interest therein and all of Lessor's other rights under such Lease including, without limitation, Sections 6, 20 and 21 hereof.

8.2 As collateral security for the Secured Obligations, Lessee hereby grants to Lessor a first priority security interest in any and all of the Equipment (now existing or hereafter acquired) and any and all proceeds thereof. Lessee agrees to execute and deliver to Lessor all necessary documents to evidence and perfect such security interest, including, without limitation, UCC financing statements and any amendments thereto.

8.3 "Secured Obligations" means Lessee's obligations to pay all Rent Payments and all other amounts due and payable under all present and future Leases and to perform and observe all covenants, agreements and conditions (direct or indirect, absolute or contingent, due or to become due, or existing or hereafter arising) of Lessee under all present and future Leases.

9. **PERSONAL PROPERTY.** All Equipment is and will remain personal property and will not be deemed to be affixed or attached to real estate or any building thereon.

10. **MAINTENANCE AND OPERATION.** Lessee agrees it shall, at its sole expense: (a) repair and maintain all Equipment in good condition and working order and supply and install all replacement parts or other devices when required to so maintain the Equipment or when required by applicable law or regulation, which parts or devices shall automatically become part of the Equipment; and (b) use and operate all Equipment in a careful manner in the normal course of its operations and only for the purposes for which it was designed in accordance with the manufacturer's warranty requirements, and comply with all laws and regulations relating to the Equipment. If any Equipment is customarily covered by a maintenance agreement, Lessee will furnish Lessor with a maintenance agreement by a party reasonably satisfactory to Lessor. No maintenance or other service for any Equipment will be provided by Lessor. Lessee will not make any alterations, additions or improvements ("Improvements") to any Equipment without Lessor's prior written consent unless the Improvements may be readily removed without damage to the operation, value or utility of such Equipment, but any such Improvements not removed prior to the termination of the applicable Lease shall automatically become part of the Equipment.

11. **LOCATION; INSPECTION.** Equipment will not be removed from, or if Equipment is rolling stock its permanent base will not be changed from, the Location without Lessor's prior written consent which will not be unreasonably withheld. Upon reasonable notice to Lessee, Lessor may enter the Location or elsewhere during normal business hours to inspect the Equipment.

12. **LIENS, SUBLEASES AND TAXES.**

12.1 Lessee shall keep all Equipment free and clear of all Liens except those Liens created under its Lease. Lessee shall not sublet or lend any Equipment or permit it to be used by anyone other than Lessee or Lessee's employees.

12.2 Lessee shall pay when due all Taxes which may now or hereafter be imposed upon any Equipment or its ownership, leasing, rental, sale, purchase, possession or use, upon any Lease or upon any Rent Payments or any other payments due under any Lease. If Lessee fails to pay such Taxes when due, Lessor shall have the right, but not the obligation, to pay such Taxes. If Lessor pays any such Taxes, then Lessee shall, upon demand, immediately reimburse Lessor therefor. "Taxes" means present and future taxes, levies, duties, assessments or other governmental charges that are not based on the net income of Lessor, whether they are assessed to or payable by Lessee or Lessor, including, without limitation (a) sales, use, excise, licensing, registration, titling, gross receipts, stamp and personal property taxes, and (b) interest, penalties or fines on any of the foregoing.

13. **RISK OF LOSS.**

13.1 Lessee bears the entire risk of loss, theft, damage or destruction of any Equipment in whole or in part from any reason whatsoever ("Casualty Loss"). No Casualty Loss to any Equipment shall relieve Lessee from the obligation to make any Rent Payments or to perform any other obligation under any Lease. Proceeds of any insurance recovery will be applied to Lessee's obligations under this Section 13.

13.2 If a Casualty Loss occurs to any Equipment, Lessee shall immediately notify Lessor of the same and Lessee shall, unless otherwise directed by Lessor, immediately repair the same.

13.3 If Lessor determines that any item of Equipment has suffered a Casualty Loss beyond repair ("Lost Equipment"), then Lessee shall either: (a) immediately replace the Lost Equipment with similar equipment in good repair, condition and working order free and clear of any Liens (except Lessor's Liens), in which event such replacement equipment shall automatically be Equipment under the applicable Lease, and deliver to Lessor true and complete copies of the invoice or bill of sale covering the replacement equipment; or (b) on earlier of 60 days after the Casualty Loss or the next scheduled Rent Payment date, pay Lessor (i) all amounts owed by Lessee under the applicable Lease, including the Rent Payments due on or accrued through such date plus (ii) an amount equal to the Termination Value as of the Rent Payment date (or if the Casualty Loss payment is due between Rent Payment dates, then as of the Rent Payment date preceding the date that the Casualty Loss payment is due) set forth in the Payment Schedule to the applicable Lease. If Lessee is making such payment with respect to less than all of the Equipment under a Lease, then Lessor will provide Lessee with the pro rata amount of the Rent Payment and Termination Value to be paid by Lessee with respect to the Lost Equipment and a revised Payment Schedule.

13.4 To the extent not prohibited by State law, Lessee shall bear the risk of loss for, shall pay directly, and shall defend against any and all claims, liabilities, proceedings, actions, expenses (including reasonable attorney's fees), damages or losses arising under or related to any Equipment, including, but not limited to, the possession, ownership, lease, use or operation thereof. These

obligations of Lessee shall survive any expiration or termination of any Lease. Lessee shall not bear the risk of loss of, nor pay for, any claims, liabilities, proceedings, actions, expenses (including attorney's fees), damages or losses which arise directly from events occurring after any Equipment has been returned by Lessee to Lessor in accordance with the terms of the applicable Lease or which arise directly from the gross negligence or willful misconduct of Lessor.

#### 14. INSURANCE.

14.1 (a) Lessee at its sole expense shall at all times keep all Equipment insured against all Casualty Losses for an amount not less than the Termination Value of the Equipment. Proceeds of any such insurance covering damage or loss of any Equipment shall be payable to Lessor as loss payee. (b) Lessee at its sole expense shall at all times carry public liability and third party property damage insurance in amounts reasonably satisfactory to Lessor protecting Lessee and Lessor from liabilities for injuries to persons and damage to property of others relating in any way to any Equipment. Proceeds of any such public liability or property insurance shall be payable first to Lessor as additional insured to the extent of its liability, and then to Lessee.

14.2 All insurers shall be reasonably satisfactory to Lessor. Lessee shall promptly deliver to Lessor satisfactory evidence of required insurance coverage and all renewals and replacements thereof. Each insurance policy will require that the insurer give Lessor at least 30 days prior written notice of any cancellation of such policy and will require that Lessor's interests remain insured regardless of any act, error, misrepresentation, omission or neglect of Lessee. The insurance maintained by Lessee shall be primary without any right of contribution from insurance which may be maintained by Lessor.

15. **PREPAYMENT OPTION.** Upon thirty (30) days prior written notice by Lessee to Lessor, and so long as there is no Event of Default then existing, Lessee shall have the option to prepayment Lessee's obligations under a Lease on any Rent Payment due date by paying to Lessor all Rent Payments then due (including accrued interest, if any) for such Lease plus the Termination Value amount set forth on the Payment Schedule to such Lease for such date. Upon satisfaction by Lessee of such prepayment conditions, Lessor shall release its Lien on such Equipment and Lessee shall retain its title to such Equipment "AS-IS, WHERE-IS", without representation or warranty by Lessor, express or implied, except for a representation that such Equipment is free and clear of any Liens created by Lessor.

16. **LESSEE'S REPRESENTATIONS AND WARRANTIES.** With respect to each Lease and its Equipment, Lessee hereby represents and warrants to Lessor that: (a) Lessee has full power, authority and legal right to execute and deliver the Lease and to perform its obligations under the Lease, and all such actions have been duly authorized by appropriate findings and actions of Lessee's governing body; (b) the Lease has been duly executed and delivered by Lessee and constitutes a legal, valid and binding obligation of Lessee, enforceable in accordance with its terms; (c) the Lease is authorized under, and the authorization, execution and delivery of the Lease complies with, all applicable federal, state and local laws and regulations (including, but not limited to, all open meeting, public bidding and property acquisition laws) and all applicable judgments and court orders; (d) the execution, delivery and performance by Lessee of its obligations under the Lease will not result in a breach or violation of, nor constitute a default under, any agreement, lease or other instrument to which Lessee is a party or by which Lessee's properties may be bound or affected; (e) there is no pending, or to the best of Lessee's knowledge threatened, litigation of any nature which may have a material adverse effect on Lessee's ability to perform its obligations under the Lease; and (f) Lessee is a state, or a political subdivision thereof, as referred to in Section 103 of the Code, and Lessee's obligation under the Lease constitutes an enforceable obligation issued on behalf of a state or a political subdivision thereof.

17. **TAX COVENANTS.** Lessee hereby covenants and agrees that: (a) Lessee shall comply with all of the requirements of Section 149(a) and Section 149(e) of the Code, as the same may be amended from time to time, and such compliance shall include, but not be limited to, executing and filing Internal Revenue Form 8038G or 8038GC, as the case may be, and any other information statements reasonably requested by Lessor; (b) Lessee shall not do (or cause to be done) any act which will cause, or by omission of any act allow, any Lease to be an "arbitrage bond" within the meaning of Section 148(a) of the Code or any Lease to be a "private activity bond" within the meaning of Section 141(a) of the Code; and (c) Lessee shall not do (or cause to be done) any act which will cause, or by omission of any act allow, the interest portion of any Rent Payments to be or become includable in gross income for Federal income taxation purposes under the Code.

#### 18. ASSIGNMENT.

18.1 Lessee shall not assign, transfer, pledge, hypothecate, nor grant any Lien on, nor otherwise dispose of, any Lease or any Equipment or any interest in any Lease or Equipment.

18.2 Lessor may assign its rights, title and interest in and to any Lease or any Equipment, and/or may grant or assign a security interest in any Lease and its Equipment, in whole or in part, to any party at any time. Any such assignee or lienholder (an "Assignee") shall have all of the rights of Lessor under the applicable Lease. **LESSEE AGREES NOT TO ASSERT AGAINST ANY ASSIGNEE ANY CLAIMS, ABATEMENTS, SETOFFS, COUNTERCLAIMS, RECOUPMENT OR ANY OTHER SIMILAR DEFENSES WHICH LESSEE MAY HAVE AGAINST LESSOR.** Unless otherwise agreed by Lessee in writing, any

such assignment transaction shall not release Lessor from any of Lessor's obligations under the applicable Lease. An assignment or reassignment of any of Lessor's right, title or interest in a Lease or its Equipment shall be enforceable against Lessee only after Lessee receives a written notice of assignment which discloses the name and address of each such Assignee; provided, that such notice from Lessor to Lessee of any assignment shall not be so required if Lessor assigns a Lease to JPMORGAN CHASE & CO. any of its direct or indirect subsidiaries. Lessee shall keep a complete and accurate record of all such assignments in the form necessary to comply with Section 149(a) of the Code and for such purpose, Lessee hereby appoints Lessor (or Lessor's designee) as the book entry and registration agent to keep a complete and accurate record of any and all assignments of any Lease. Lessee agrees to acknowledge in writing any such assignments if so requested.

18.3 Each Assignee of a Lease hereby agrees that: (a) the term Secured Obligations as used in Section 8.3 hereof is hereby amended to include and apply to all obligations of Lessee under the Assigned Leases and to exclude the obligations of Lessee under any Non-Assigned Leases; (b) said Assignee shall have no Lien on, nor any claim to, nor any interest of any kind in, any Non-Assigned Lease or any Equipment covered by any Non-Assigned Lease; and (c) Assignee shall exercise its rights, benefits and remedies as the assignee of Lessor (including, without limitation, the remedies under Section 20 of the Master Lease) solely with respect to the Assigned Leases. "Assigned Leases" means only those Leases which have been assigned to a single Assignee pursuant to a written agreement; and "Non-Assigned Leases" means all Leases excluding the Assigned Leases.

18.4 Subject to the foregoing, each Lease inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

**19. EVENTS OF DEFAULT.** For each Lease, "Event of Default" means the occurrence of any one or more of the following events as they may relate to such Lease: (a) Lessee fails to make any Rent Payment (or any other payment) as it becomes due in accordance with the terms of the Lease, and any such failure continues for ten (10) days after the due date thereof; (b) Lessee fails to perform or observe any of its obligations under Sections 12.1, 14 or 18.1 hereof; (c) Lessee fails to perform or observe any other covenant, condition or agreement to be performed or observed by it under the Lease and such failure is not cured within thirty (30) days after receipt of written notice thereof by Lessor; (d) any statement, representation or warranty made by Lessee in the Lease or in any writing delivered by Lessee pursuant thereto or in connection therewith proves at any time to have been false, misleading or erroneous in any material respect as of the time when made; (e) Lessee applies for or consents to the appointment of a receiver, trustee, conservator or liquidator of Lessee or of all or a substantial part of its assets, or a petition for relief is filed by Lessee under any federal or state bankruptcy, insolvency or similar law, or a petition in a proceeding under any federal or state bankruptcy, insolvency or similar law is filed against Lessee and is not dismissed within sixty (60) days thereafter.

**20. REMEDIES.** If any Event of Default occurs, then Lessor may, at its option, exercise any one or more of the following remedies:

(a) Lessor may require Lessee to pay (and Lessee agrees that it shall pay) all amounts then currently due under all Leases and all remaining Rent Payments due under all Leases during the fiscal year in effect when the Event of Default occurs together with interest on such amounts at the rate of twelve percent (12%) per annum (but not to exceed the highest rate permitted by applicable law) from the date of Lessor's demand for such payment;

(b) Lessor may require Lessee to promptly return all Equipment under all or any of the Leases to Lessor in the manner set forth in Section 21 (and Lessee agrees that it shall so return the Equipment), or Lessor may, at its option, enter upon the premises where any Equipment is located and repossess any Equipment without demand or notice, without any court order or other process of law and without liability for any damage occasioned by such repossession;

(c) Lessor may sell, lease or otherwise dispose of any Equipment under all or any of the Leases, in whole or in part, in one or more public or private transactions, and if Lessor so disposes of any Equipment, then Lessor shall retain the entire proceeds of such disposition free of any claims of Lessee, provided, that if the net proceeds of the disposition of all the Equipment exceeds the applicable Termination Value of all the Schedules plus the amounts payable by Lessee under clause (a) above of this Section and under clause (f) below of this Section, then such excess amount shall be remitted by Lessor to Lessee;

(d) Lessor may terminate, cancel or rescind any Lease as to any and all Equipment;

(e) Lessor may exercise any other right, remedy or privilege which may be available to Lessor under applicable law or, by appropriate court action at law or in equity, Lessor may enforce any of Lessee's obligations under any Lease; and/or

(f) Lessor may require Lessee to pay (and Lessee agrees that it shall pay) all out-of-pocket costs and expenses incurred by Lessor as a result (directly or indirectly) of the Event of Default and/or of Lessor's actions under this section, including, without limitation, any attorney fees and expenses and any costs related to the repossession, safekeeping, storage, repair, reconditioning or disposition of any Equipment.

None of the above remedies is exclusive, but each is cumulative and in addition to any other remedy available to Lessor. Lessor's exercise of one or more remedies shall not preclude its exercise of any other remedy. No delay or failure on the part of Lessor to exercise any remedy under any Lease shall operate as a waiver thereof, nor as an acquiescence in any default, nor shall any single or partial exercise of any remedy preclude any other exercise thereof or the exercise of any other remedy.

**21. RETURN OF EQUIPMENT.** If Lessor is entitled under the provisions of any Lease, including any termination thereof pursuant to Sections 6 or 20 of this Master Lease, to obtain possession of any Equipment or if Lessee is obligated at any time to return any Equipment, then (a) title to the Equipment shall vest in Lessor immediately upon Lessor's notice thereof to Lessee, and (b) Lessee shall, at its sole expense and risk, immediately de-install, disassemble, pack, crate, insure and return the Equipment to Lessor (all in accordance with applicable industry standards) at any location in the continental United States selected by Lessor. Such Equipment shall be in the same condition as when received by Lessee (reasonable wear, tear and depreciation resulting from normal and proper use excepted), shall be in good operating order and maintenance as required by the applicable Lease, shall be free and clear of any Liens (except Lessor's Lien) and shall comply with all applicable laws and regulations. Until Equipment is returned as required above, all terms of the applicable Lease shall remain in full force and effect including, without limitation, obligations to pay Rent Payments and to insure the Equipment. Lessee agrees to execute and deliver to Lessor all documents reasonably requested by Lessor to evidence the transfer of legal and beneficial title to such Equipment to Lessor and to evidence the termination of Lessee's interest in such Equipment.

**22. LAW GOVERNING.** Each Lease shall be governed by the laws of the state of where Lessee is located (the "State").

**23. NOTICES.** All notices to be given under any Lease shall be made in writing and either personally delivered or mailed by regular or certified mail or sent by an overnight courier delivery company to the other party at its address set forth herein or at such address as the party may provide in writing from time to time. Any such notices shall be deemed to have been received five (5) days subsequent to mailing.

**24. FINANCIAL INFORMATION.** As soon as they are available after their completion in each fiscal year of Lessee during any Lease Term, Lessee will deliver to Lessor upon Lessor's request the publicly available annual financial information of Lessee.

**25. SECTION HEADINGS.** All section headings contained herein or in any Schedule are for convenience of reference only and do not define or limit the scope of any provision of any Lease.

**26. EXECUTION IN COUNTERPARTS.** Each Schedule to this Master Lease may be executed in several counterparts, each of which shall be deemed an original, but all of which shall be deemed one instrument. If more than one counterpart of each Schedule is executed by Lessee and Lessor, then only one may be marked "Lessor's Original" by Lessor. A security interest in any Schedule may be created through transfer and possession only of: the sole original of said Schedule if there is only one original; or the counterpart marked "Lessor's Original" if there are multiple counterparts of said Schedule.

**27. ENTIRE AGREEMENT; WRITTEN AMENDMENTS.** Each Lease, together with the exhibits, schedules and addenda attached thereto and made a part hereof and other attachments thereto constitute the entire agreement between the parties with respect to the lease of the Equipment covered thereby, and such Lease shall not be modified, amended, altered, or changed except with the written consent of Lessee and Lessor. Any provision of any Lease found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of the Lease.

CITY OF PASADENA  
(Lessee)

JPMORGAN CHASE BANK, N.A.  
(Lessor)

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

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

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

Title: Authorized Officer

**MASTER LEASE-PURCHASE AMENDMENT**  
(Financial Reporting Modifications)

**Dated: DECEMBER 23, 2011**

**Master Lease-Purchase Agreement dated: DECEMBER 23, 2011**

**Lessee: CITY OF PASADENA**

Reference is made to the above Master Lease-Purchase Agreement together with all previous addenda , amendments, supplements and modifications thereto (collectively, the "Master Lease") by and between JPMORGAN CHASE BANK, N.A. ("Lessor") and the above lessee ("Lessee"). This Amendment amends and modifies the terms and conditions of the Master Lease and is hereby made a part of the Master 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 Lease Schedules, Lessor and Lessee hereby agree to amend the Master Lease as follows:

1. **FINANCIAL INFORMATION.** In addition to all other requirements of the Master Lease with respect to delivery of financial information, Lessee agrees to deliver to Lessor the annual audited financial information for Lessee no later than 180 days after the end of each fiscal year of Lessee.

2. **GENERAL.** Except as expressly amended by this Amendment and other modifications signed by Lessor and Lessee, the Master Lease remains unchanged and in full force and effect. The modifications made pursuant to this Amendment shall apply to all existing and future Lease Schedules under the Master Lease.

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

**CITY OF PASADENA**  
(Lessee)

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

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

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

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

Title: Authorized Officer





**MASTER LEASE-PURCHASE ADDENDUM**  
(California Local Government)

Master Lease-Purchase Agreement Dated: **DECEMBER 23, 2011**

Lessee: **CITY OF PASADENA**

Reference is made to the above Master Lease-Purchase Agreement ("Master Lease") by and between **JPMORGAN CHASE BANK, N.A.** ("Lessor") and the above lessee ("Lessee"). This Addendum amends and modifies the terms and conditions of the Master Lease and is hereby made a part of the Master 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 Leases, Lessor and Lessee hereby agree to amend the Master Lease by adding the following section:

**28. WAIVER OF JURY TRIAL.**

Lessor and Lessee, to the extent permitted by law, waive any right to have a jury participate in resolving any dispute arising from this transaction. To the extent such waiver is unenforceable, Lessor and Lessee each hereby consents to the adjudication of any and all claims pursuant to Judicial Reference as provided in California Code of Civil Procedure Section 638, and the judicial referee shall be empowered to hear and determine any and all issues in such Reference whether fact or law.

Except as expressly amended or supplemented by this Addendum and other instruments signed by Lessor and Lessee, 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 written above.

**CITY OF PASADENA**  
(Lessee)

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

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

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

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

Title: Authorized Officer



LEASE SCHEDULE

Dated as of: DECEMBER 23, 2011

Lease No.: 1000135645

This Lease Schedule, together with its Payment Schedule, is attached and made a part of the Master Lease-Purchase Agreement described below ("Master Lease") between the Lessee and Lessor named below. All terms and conditions of the Master Lease are incorporated herein by reference. Unless otherwise defined herein, capitalized terms defined in the Master Lease will have the same meaning when used herein.

Master Lease-Purchase Agreement dated December 23, 2011.

- A. EQUIPMENT DESCRIBED: The Equipment includes all of the property described on Schedule A-1 attached hereto and made a part hereof.
B. EQUIPMENT LOCATION: See Attached Schedule A-1
C. ACCEPTANCE OF EQUIPMENT: AS BETWEEN LESSEE AND LESSOR, LESSEE AGREES THAT: (a) LESSEE HAS RECEIVED AND INSPECTED ALL EQUIPMENT; (b) ALL EQUIPMENT IS IN GOOD WORKING ORDER AND COMPLIES WITH ALL PURCHASE ORDERS, CONTRACTS AND SPECIFICATIONS; (c) LESSEE ACCEPTS ALL EQUIPMENT FOR PURPOSES OF THE LEASE "AS-IS, WHERE-IS"; AND (d) LESSEE WAIVES ANY RIGHT TO REVOKE SUCH ACCEPTANCE.
D. ESSENTIAL USE; CURRENT INTENT OF LESSEE: Lessee represents and agrees that the use of the Equipment is essential to Lessee's proper, efficient and economic functioning or to the services that Lessee provides to its citizens and the Equipment will be used by Lessee only for the purpose of performing its governmental or proprietary functions consistent with the permissible scope of its authority. Lessee currently intends for the full Lease Term: to use the Equipment; to continue this Lease; and to make Rental Payments if funds are appropriated in each fiscal year by its governing body.
E. THIRD PARTY USE. The Equipment may be used by a third party with whom Lessee has entered into a Qualified Management Contract. Lessee represents and warrants that any use of the Equipment under the Qualified Management Contract will not result in private business use under section 141(b) of the Code. Lessee shall require any third party permitted to use the Equipment under the Qualified Management Contract to maintain insurance in a form and substance and for amounts reasonably satisfactory to Lessor. For the purposes of this section, "Qualified Management Contract" means a management contract that (i) conforms to the guidelines contained in Revenue Procedure 97-13 and (ii) does not give the third party an ownership or leasehold interest in the Equipment for any purpose including federal income tax purposes.
F. RENTAL PAYMENTS; LEASE TERM: The Rental Payments to be paid by Lessee to Lessor, the commencement date thereof and the Lease Term of this Lease Schedule are set forth on the Payment Schedule attached to this Lease Schedule.
G. RE-AFFIRMATION OF THE MASTER LEASE: Lessee hereby re-affirms all of its representations, warranties and obligations under the Master Lease (including, without limitation, its obligation to pay all Rental Payments, its disclaimers in Section 7 thereof and its representations in Sections 6.1 and 16 thereof).

Equipment/Escrow Acceptance Date: \_\_\_\_\_, 20\_\_

CITY OF PASADENA (Lessee)

JPMORGAN CHASE BANK, N.A. (Lessor)

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

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

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

Title: Authorized Officer



**SCHEDULE A-1**  
Equipment Description

Lease Schedule No. **1000135645** dated **DECEMBER 23, 2011**

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

Equipment Location: FIRST TRANSIT BUS YARD  
303 NORTH ALLEN AVENUE  
PASADENA, CA 91106

Equipment Description: (10) NEW 32' AREA RAPID TRANSIT (ARTS) BUSES  
(5) NEW 25' AREA RAPID TRANSIT (ARTS) BUSES

Expected Equipment Purchase Price	<b>\$2,072,805.25</b>
Minus Lessee Down Payment/Trade-in	\$0.00
Net Amount Financed	<b>\$2,072,805.25</b>

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

**CITY OF PASADENA**  
(Lessee)

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

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

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

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

Title: Authorized Officer



**PAYMENT SCHEDULE**

This Payment Schedule is attached and made a part of the Lease Schedule identified below which is part of the Master Lease-Purchase Agreement identified therein, all of which are between the Lessee and Lessor named below.

Lease Schedule No. **1000135645** Dated **DECEMBER 23, 2011**

Accrual Date: **DECEMBER 23, 2011**

Amount Financed: **\$2,072,805.25**

Interest Rate: **2.2800%** per annum

Rent Number	Rent Date	Rent Payment	Interest Portion	Principal Portion	Termination Value
1	7/15/2012	\$116,702.48	\$27,437.04	\$89,265.44	\$1,983,539.81
2	1/15/2013	\$116,702.48	\$22,612.30	\$94,090.18	\$1,889,449.69
3	7/15/2013	\$116,702.48	\$21,539.73	\$95,162.75	\$1,794,286.94
4	1/15/2014	\$116,702.48	\$20,464.87	\$96,247.61	\$1,698,039.33
5	7/15/2014	\$116,702.48	\$19,387.65	\$97,344.83	\$1,600,694.50
6	1/15/2015	\$116,702.48	\$18,309.92	\$98,454.56	\$1,502,239.94
7	7/15/2015	\$116,702.48	\$17,231.11	\$99,576.94	\$1,402,663.00
8	1/15/2016	\$116,702.48	\$15,990.50	\$100,712.12	\$1,301,950.88
9	7/15/2016	\$116,702.48	\$14,842.24	\$101,860.24	\$1,200,090.64
10	1/15/2017	\$116,702.48	\$13,681.04	\$103,021.44	\$1,097,069.20
11	7/15/2017	\$116,702.48	\$12,506.59	\$104,195.89	\$992,873.31
12	1/15/2018	\$116,702.48	\$11,318.76	\$105,383.72	\$887,489.59
13	7/15/2018	\$116,702.48	\$10,118.98	\$106,585.10	\$780,904.49
14	1/15/2019	\$116,702.48	\$8,902.23	\$107,800.17	\$673,104.32
15	7/15/2019	\$116,702.48	\$7,673.39	\$109,029.09	\$564,075.23
16	1/15/2020	\$116,702.48	\$6,430.46	\$110,272.02	\$453,803.21
17	7/15/2020	\$116,702.48	\$5,173.36	\$111,529.12	\$342,274.09
18	1/15/2021	\$116,702.48	\$3,901.93	\$112,800.55	\$229,473.54
19	7/15/2021	\$116,702.48	\$2,615.00	\$114,086.48	\$115,387.06
20	1/15/2022	\$116,702.48	\$1,315.42	\$115,387.06	\$0.00
		\$2,340,496.60	\$261,244.35	\$2,072,805.25	

**CITY OF PASADENA**  
(Lessee)

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

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

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

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

Title: Authorized Officer



**LEASE SCHEDULE ADDENDUM**  
(Self Insurance)

**Lessee: CITY OF PASADENA**

**Lease Schedule No: 1000135645**

Reference is made to the above Lease Schedule as amended ("Schedule") and to the Master Lease-Purchase Agreement identified therein as amended ("Master Lease"), both of which are by and between **JPMORGAN CHASE BANK, N.A.** ("Lessor") and the above lessee ("Lessee"). In this Addendum: "Lease" means the Schedule and the Master Lease to the extent that it relates to the Schedule; and "Equipment" means the property described in 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 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. CASUALTY LOSS.** Notwithstanding anything to the contrary in Section 14 of the Master Lease, Lessor agrees that Lessee may self-insure against risk of casualty loss of or physical damage to the Equipment; provided, that upon written notice from Lessor to Lessee, Lessee agrees to secure and maintain commercial insurance against such risks to the Equipment as otherwise required by the Master Lease if an event of default has occurred and is continuing under the Master Lease.

**2. THIRD PARTY LIABILITY.** Notwithstanding anything to the contrary in Section 14 of the Master Lease, Lessor agrees that Lessee may self-insure against risk of injuries to persons and damage to property of others relating in any way to any Equipment; provided, that upon written notice from Lessor to Lessee, Lessee agrees to secure and maintain commercial insurance against such risks as otherwise required by the Master Lease if an event of default has occurred and is continuing under the Master Lease.

**3. COMPLIANCE WITH LAW; ACTUARIALLY SOUND BASIS.** Lessee agrees that its self insurance arrangements as described herein shall comply with applicable State law related thereto or, if there is no State law applicable to such self insurance arrangements, then Lessee's self insurance arrangements shall be maintained on an actuarially sound basis.

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

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

**CITY OF PASADENA**  
(Lessee)

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

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

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

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

Title: Authorized Officer

**PREPAYMENT SCHEDULE ADDENDUM**  
(24-Month Lockout Period)

Dated As Of **DECEMBER 23, 2011**

Lease Schedule No. **1000135645**

Lessee: **CITY OF PASADENA**

Reference is made to the above Lease Schedule ("Schedule") and to the Master Lease-Purchase Agreement ("Master Lease") identified in the Schedule, which are 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 Schedule Addendum amends and supplements the terms and conditions of the Lease. Unless otherwise defined herein, capitalized terms defined in the Lease shall have the same meaning when used herein. **Solely for purposes of the Schedule, Lessor and Lessee agree as follows:**

1. Notwithstanding anything to the contrary herein or the Lease, Lessee and Lessor agree that Lessee shall not exercise its prepayment or early purchase rights under the Lease (including, without limitation, Section 15 of the Master Lease as it relates to the Schedule) or this Addendum prior to the end of the Lock-Out Period specified below.

**Lock-Out Period:** the first 24 months of the Lease Term of the Schedule

2. Notwithstanding anything to the contrary in the Lease (including, without limitation, Section 15 of the Master Lease as it relates to the Schedule), Lessee and Lessor agree that so long as no Event of Default has occurred and continues under the Lease **and** so long as Lessee gives Lessor at least 20 days prior written notice (the "Notice Period") **and** so long as the above Lock-Out Period has expired, Lessee may elect to prepay its obligations under the Schedule by paying to Lessor on the Rent Payment due date (a "Prepayment Date") following the Notice Period the total of the following (the "Prepayment Amount"): (a) all accrued Rent Payments, interest, taxes, late charges and other amounts then due and payable under the Lease; plus (b) the remaining principal balance payable by Lessee under the Schedule as of said Prepayment Date.

3. The parties acknowledge that the Termination Value column of the Payment Schedule to the Schedule is included solely for purposes of the calculations required by Section 13.3 of the Master Lease (casualty loss of Equipment), Section 14.1 of the Master Lease (required amount of casualty loss insurance) and Subsection 20(c) of the Master Lease (post-default remedies of Lessor) and said Termination Value column does not negate the restrictions on purchase options or voluntary prepayment in paragraphs 1 and 2 of this Addendum.

4. The prepayment or early purchase option rights granted herein shall control in the event of any conflict between the provisions of this Addendum and the Master Lease as it relates to the Schedule. Except as expressly amended or supplemented by this Addendum and other instruments signed by Lessor and Lessee, 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 written above.

**CITY OF PASADENA**  
(Lessee)

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

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

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

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

Title: Authorized Officer



**VEHICLE SCHEDULE ADDENDUM**

**Dated As of:           DECEMBER 23, 2011**

**Lease Schedule No: 1000135645**

**Lessee:                CITY OF PASADENA**

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"). This Addendum amends and modifies the terms and conditions of the Schedule and is hereby made a part of the Schedule. 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 Schedule, Lessor and Lessee hereby agree to amend the Schedule as follows:

1. In the event that any unit of Equipment covered by the Schedule is a vehicle or trailer under applicable State law, then the following provisions shall also apply to the Schedule:
  - (a) each manufacturer's statement of origin and certificate of title shall state that Lessor has the first and sole lien on or security interest in such unit of Equipment;
  - (b) the public liability insurance required by the terms of clauses (b) of Section 14.1 of the Master Lease shall be in an amount not less than \$1,000,000.00 combined single limit per unit per occurrence. Physical damage should not be less than the replacement cost coverage for the equipment identified on the Schedule A-1;
  - (c) Lessee shall furnish and permit only duly licensed, trained, safe and qualified drivers to operate any such unit of Equipment, and such drivers shall be agents of Lessee and shall not be agents of Lessor; and
  - (d) Lessee shall cause each such unit of Equipment to be duly registered and licensed as required by applicable State law with Lessor noted as lienholder and Lessee as owner.
2. Except as expressly amended by this Addendum and other modifications signed by Lessor, the Schedule 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



**AGENCY & NO ARBITRAGE SCHEDULE ADDENDUM**

**Dated as of:**            **DECEMBER 23, 2011**

**Lease Schedule No.:**  **1000135645**

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

Reference is made to the above Lease Schedule as amended ("Schedule") to the Master Lease-Purchase Agreement identified in the Schedule as amended ("Master Lease") by and between **JPMORGAN CHASE BANK, N.A.** ("Lessor") and the above lessee ("Lessee"). As used herein, "Lease" shall mean the above 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 and supplement the Lease as follows:

**1. DEPOSIT OF MONIES:**

**Deposit:**                **\$2,072,805.25**

**Deposit Date:**        **DECEMBER 23, 2011**

On the above Deposit Date, Lessor shall cause the above Deposit to be paid to Lessee in cash or other immediately available funds. Such Deposit shall be set aside by Lessee in the City's Investment Pool, accounted for separately, a separate account and used by Lessee exclusively for acquisition and installation costs of the Equipment pursuant to this Addendum. The Lease Term of the Lease shall commence on the earlier of the date specified in the Payment Schedule to the Schedule or the above Deposit Date.

**2. APPOINTMENT OF AGENT; EXPENDITURE OF FUNDS.**

(a) Lessor hereby appoints Lessee as its agent to carry out all phases of the acquisition and installation of the Equipment in accordance with any contracts necessary for the completion of the Equipment, and to apply the Deposit monies for that purpose. Lessee, as agent of Lessor, assumes all rights, duties, liabilities and responsibilities of Lessor regarding the acquisition and installation of the Equipment, and the installation of any property related thereto, except as limited herein. The Equipment shall be acquired and installed in all respects in accordance with the provisions of the Lease.

(b) Lessee hereby agrees that it will cause the work under all purchase orders and contracts to be diligently performed after the Deposit is paid to Lessee, and that the Equipment will be completed in accordance with the specifications therefor by such dates as shall be necessary so that no less than 95% of the Deposit shall be expended for costs of the Equipment within 6 months following the Deposit Date and that the entire Deposit shall be expended (or applied to the payment of rent) within 12 months following the Deposit Date. Upon completion of acquisition and installation of the Equipment in a manner satisfactory to Lessee, but in any event not later than thirty (30) days following completion of such acquisition and installation, Lessee shall deliver to the Lessor a Certificate of Acceptance in form attached hereto as Exhibit A (and said Certificate will include a complete description of the Equipment) together with a copies of all invoices, bills of sale and other documents confirming the sale and installation of the Equipment and proof of payment of the entire purchase price of the Equipment.

(c) If the Deposit is not expended as set forth above, Lessee agrees that it will take such actions as may be necessary to retain the tax-exempt status of the interest component of the Rent Payments and Lessee agrees that any such amounts not expended by Lessee for such purposes ("Unspent Deposit") shall no later than 12 months after the Deposit Date be paid by Lessee to Lessor and that the Unspent Deposit shall be applied by Lessor for benefit of Lessee either: (1) toward the principal portion of the Rent Payment next coming due under the Lease; or (2) toward a partial prepayment of the principal amount remaining due under the Lease and thereupon Lessor shall prepare and deliver to Lessee a revised Payment Schedule reflecting such partial prepayment of principal.



3. **CONTRACTS AND PAYMENTS.** Lessee, as agent for Lessor, may enter into any contracts, which are reasonably necessary for the completion of the acquisition and installation of the Equipment. Lessee shall be authorized to make payments for the costs of acquisition and installation of the Equipment from the Deposit or other funds provided by Lessee. In the event that the Deposit is not sufficient to pay the entire cost of acquiring and installing the Equipment, Lessee agrees to pay directly from its own funds the costs of acquiring and completing the Equipment that exceed the Deposit. Lessee agrees to pay, defend, indemnify and hold Lessor harmless from any liabilities, obligations, claims, costs and expenses (including reasonable attorney fees and expenses) of whatever kind imposed on or asserted against Lessor in any way related to any purchase orders or purchase contracts for any Equipment.
4. **PROJECT DESCRIPTION.** Lessee, as agent of Lessor, shall have the right to make any changes in the description of the Equipment or of any component or components thereof, whenever the Lessee in its reasonable discretion deems such changes to be necessary; provided, that any such change shall not materially alter the nature of the Equipment and shall not reduce the fair market value of the Equipment; provided further, that any increase in the acquisition and installation costs resulting from any such change shall, to the extent the increased acquisition and installation costs exceed the amount of the Deposit, be payable solely from other funds available to Lessee for such purpose.
5. **RIGHT TO SUPERVISE INSTALLATION AND PERFORMANCE.** Lessee, as agent for Lessor, agrees to supervise the installation of the Equipment and any property related thereto in a careful and reasonable manner and to otherwise carefully monitor the performance of the vendors/contractors in the performance of their duties in connection with the installation of the Equipment.
6. **RIGHT TO ENFORCE CONTRACTS.** Lessee shall have the right to enforce any contract which it enters into with respect to the acquisition and installation of the Equipment in its own name or the name of Lessor, at law or in equity; provided, that Lessor shall be able to assert said rights and powers in its own behalf.
7. **NO LIABILITY OF LESSOR.** Lessor shall not be obligated to assume or perform any obligation of Lessee relating to the Equipment or any vendors/contractors with respect thereto.
8. **NO ARBITRAGE CERTIFICATION.** This certification is being made by Lessee pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and related Treasury Regulations (the "Regulations"), including, but not limited to, Treasury Regulation Sections 1.148-2 and 1.148-7. Lessee acknowledges that the following facts, estimates and circumstances are in existence on the date of this Addendum or are reasonably expect to occur hereafter.
  - (a) The Lease provides for the lease of the Equipment 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 this Addendum and for the purpose of assuring Lessee of the availability of monies needed to pay the cost of the Equipment when due, Lessee and Lessor have agreed to the above terms of this Addendum and Lessor has agreed to pay the Deposit as provided herein.
  - (c) Binding contracts or purchase orders providing for the acquisition and delivery of the Equipment have been issued by Lessee to Equipment Vendors therefor or will be issued within 6 months of the Deposit Date. Lessee hereby agrees that it will cause the work under all such purchase orders and contracts to be diligently performed after the Deposit is paid to Lessee, and that the Equipment will be completed in accordance with the specifications therefor by such dates as shall be necessary so that no less than 95% of the Deposit shall be expended for costs of the Equipment within 6 months following the Deposit Date and that the entire Deposit shall be expended (or applied to the payment of rent) within 12 months following the Deposit Date.
  - (d) It is presently expected that all such funds initially deposited by Lessor with Lessee under this Addendum shall be disbursed to pay for the Equipment, but any such amounts ultimately determined not to be needed for such purposes shall no later than 12 months after Deposit Date be paid by Lessee to Lessor and such amount will applied by Lessor for benefit of Lessee either: (1) toward the principal portion of the Rent Payment next coming due under the Lease; or (2) toward a partial prepayment of the principal amount remaining due under the Lease and thereupon Lessor shall prepare and deliver to Lessee a revised Payment Schedule reflecting such partial prepayment of principal.
  - (e) All of the spendable proceeds of the Lease will be expended on the Equipment and related expenses within 12 months of the Deposit Date. The original proceeds of the Lease do not exceed the amount necessary for the purpose for which the Lease is issued. 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. No sinking fund is expected to be created by Lessee with respect to the Lease and Rental Payments.

(f) To be best of the knowledge and belief of the undersigned representative of Lessee, 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. 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.

(g) Lessee shall comply with the requirements of Section 148(f) of the Code and the Regulations and will rebate to the United States of America all arbitrage profit required thereby. Lessee hereby covenants to comply with all requirements of the Code and Regulations relating to the rebate of arbitrage profit to the United States of America.

9. **PARTIAL PREPAYMENT.** If there is a partial prepayment of principal pursuant to the terms of Section 2(c)(2) above of this Addendum, then in addition to the payment of the Partial Principal Amount, Lessee shall also pay to Lessor a break funding premium equal to the sum of the differences between (a) the interest portion of each scheduled payment which would have been made on the prepaid amount if such prepayment had not occurred and (b) the corresponding fixed-rate interest payment which would be received under an interest rate swap which the Lessor shall be deemed to have entered into as of the Prepayment Date (the "Replacement Swap") covering its payment obligations under an interest rate swap which the Lessor shall be deemed to have entered into when the prepaid amount was originally funded, with each such difference discounted to a present value as of the date of prepayment using the fixed interest rate of the Replacement Swap as the applicable discount rate; the Lessee acknowledges that the 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 foregoing 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 loan evidenced by this Note; all calculations and determinations by the Lessor of the amounts payable pursuant to the preceding provisions 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. **GENERAL.** 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

**Exhibit A**

**CERTIFICATE OF ACCEPTANCE**  
(Delivered Pursuant To The Agency & No Arbitrage Schedule Addendum)

**Dated as of:**           **SAMPLE**

**Lease Schedule No.:** **SAMPLE**

**Lessee:**               **SAMPLE**

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

This Certificate of Acceptance is delivered by Lessee to Lessor pursuant to the Agency & No Arbitrage Schedule Addendum to the Schedule.

Lessee hereby notifies Lessor that Lessee has received all of the Equipment described in the Lease, including, without limitation, the Equipment described in Schedule A-1 attached hereto, as of the Acceptance Date stated below:

**ACCEPTANCE DATE: SAMPLE**

AS BETWEEN LESSEE AND LESSOR, LESSEE AGREES THAT: (a) LESSEE HAS RECEIVED AND INSPECTED ALL OF THE EQUIPMENT; (b) ALL EQUIPMENT IS IN GOOD WORKING ORDER AND COMPLIES WITH ALL PURCHASE ORDERS, CONTRACTS AND SPECIFICATIONS; (c) LESSEE ACCEPTS ALL EQUIPMENT FOR PURPOSES OF THE LEASE "AS-IS, WHERE-IS"; AND (d) LESSEE WAIVES ANY RIGHT TO REVOKE SUCH ACCEPTANCE.

**SAMPLE**  
(Lessee)

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

By: (DO NOT SIGN)

By: (DO NOT SIGN)

Title: (DO NOT SIGN)

Title: Authorized Officer

[Copies of Invoices/Bills of Sale and  
Proof of Payment and Insurance attached hereto]

**AGENCY SCHEDULE A-1**  
Equipment Description

**Dated as of:**           **SAMPLE**

**Lease Schedule No.:** **SAMPLE**

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

**Equipment Location:**    (DO NOT COMPLETE)

(DO NOT COMPLETE)

**Equipment Description:** (DO NOT COMPLETE)

(DO NOT COMPLETE)

**Equipment Purchase Price:** \$(DO NOT COMPLETE)

This Schedule A-1 is attached to the Certificate of Acceptance (Delivered Pursuant To The Agency & No Arbitrage Schedule Addendum).

**SAMPLE**  
(Lessee)

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

By: (DO NOT COMPLETE)

By: (DO NOT COMPLETE)

Title: (DO NOT COMPLETE)

Title: Authorized Officer



**AGENCY & NO ARBITRAGE SCHEDULE ADDENDUM**

**Dated as of:**            **DECEMBER 23, 2011**

**Lease Schedule No.:**  **1000135645**

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

Reference is made to the above Lease Schedule as amended ("Schedule") to the Master Lease-Purchase Agreement identified in the Schedule as amended ("Master Lease") by and between **JPMORGAN CHASE BANK, N.A.** ("Lessor") and the above lessee ("Lessee"). As used herein, "Lease" shall mean the above 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 and supplement the Lease as follows:

**1. DEPOSIT OF MONIES:**

**Deposit:**                **\$2,072,805.25**

**Deposit Date:**        **DECEMBER 23, 2011**

On the above Deposit Date, Lessor shall cause the above Deposit to be paid to Lessee in cash or other immediately available funds. Such Deposit shall be set aside by Lessee in the City's Investment Pool, accounted for separately, and used by Lessee exclusively for acquisition and installation costs of the Equipment pursuant to this Addendum. The Lease Term of the Lease shall commence on the earlier of the date specified in the Payment Schedule to the Schedule or the above Deposit Date.

**2. APPOINTMENT OF AGENT; EXPENDITURE OF FUNDS.**

(a) Lessor hereby appoints Lessee as its agent to carry out all phases of the acquisition and installation of the Equipment in accordance with any contracts necessary for the completion of the Equipment, and to apply the Deposit monies for that purpose. Lessee, as agent of Lessor, assumes all rights, duties, liabilities and responsibilities of Lessor regarding the acquisition and installation of the Equipment, and the installation of any property related thereto, except as limited herein. The Equipment shall be acquired and installed in all respects in accordance with the provisions of the Lease.

(b) Lessee hereby agrees that it will cause the work under all purchase orders and contracts to be diligently performed after the Deposit is paid to Lessee, and that the Equipment will be completed in accordance with the specifications therefor by such dates as shall be necessary so that no less than 95% of the Deposit shall be expended for costs of the Equipment within 6 months following the Deposit Date and that the entire Deposit shall be expended (or applied to the payment of rent) within 12 months following the Deposit Date. Upon completion of acquisition and installation of the Equipment in a manner satisfactory to Lessee, but in any event not later than thirty (30) days following completion of such acquisition and installation, Lessee shall deliver to the Lessor a Certificate of Acceptance in form attached hereto as Exhibit A (and said Certificate will include a complete description of the Equipment) together with a copies of all invoices, bills of sale and other documents confirming the sale and installation of the Equipment and proof of payment of the entire purchase price of the Equipment.

(c) If the Deposit is not expended as set forth above, Lessee agrees that it will take such actions as may be necessary to retain the tax-exempt status of the interest component of the Rent Payments and Lessee agrees that any such amounts not expended by Lessee for such purposes ("Unspent Deposit") shall no later than 12 months after the Deposit Date be paid by Lessee to Lessor and that the Unspent Deposit shall be applied by Lessor for benefit of Lessee either: (1) toward the principal portion of the Rent Payment next coming due under the Lease; or (2) toward a partial prepayment of the principal amount remaining due under the Lease and thereupon Lessor shall prepare and deliver to Lessee a revised Payment Schedule reflecting such partial prepayment of principal.

3. **CONTRACTS AND PAYMENTS.** Lessee, as agent for Lessor, may enter into any contracts, which are reasonably necessary for the completion of the acquisition and installation of the Equipment. Lessee shall be authorized to make payments for the costs of acquisition and installation of the Equipment from the Deposit or other funds provided by Lessee. In the event that the Deposit is not sufficient to pay the entire cost of acquiring and installing the Equipment, Lessee agrees to pay directly from its own funds the costs of acquiring and completing the Equipment that exceed the Deposit. Lessee agrees to pay, defend, indemnify and hold Lessor harmless from any liabilities, obligations, claims, costs and expenses (including reasonable attorney fees and expenses) of whatever kind imposed on or asserted against Lessor in any way related to any purchase orders or purchase contracts for any Equipment.
4. **PROJECT DESCRIPTION.** Lessee, as agent of Lessor, shall have the right to make any changes in the description of the Equipment or of any component or components thereof, whenever the Lessee in its reasonable discretion deems such changes to be necessary; provided, that any such change shall not materially alter the nature of the Equipment and shall not reduce the fair market value of the Equipment; provided further, that any increase in the acquisition and installation costs resulting from any such change shall, to the extent the increased acquisition and installation costs exceed the amount of the Deposit, be payable solely from other funds available to Lessee for such purpose.
5. **RIGHT TO SUPERVISE INSTALLATION AND PERFORMANCE.** Lessee, as agent for Lessor, agrees to supervise the installation of the Equipment and any property related thereto in a careful and reasonable manner and to otherwise carefully monitor the performance of the vendors/contractors in the performance of their duties in connection with the installation of the Equipment.
6. **RIGHT TO ENFORCE CONTRACTS.** Lessee shall have the right to enforce any contract which it enters into with respect to the acquisition and installation of the Equipment in its own name or the name of Lessor, at law or in equity; provided, that Lessor shall be able to assert said rights and powers in its own behalf.
7. **NO LIABILITY OF LESSOR.** Lessor shall not be obligated to assume or perform any obligation of Lessee relating to the Equipment or any vendors/contractors with respect thereto.
8. **NO ARBITRAGE CERTIFICATION.** This certification is being made by Lessee pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and related Treasury Regulations (the "Regulations"), including, but not limited to, Treasury Regulation Sections 1.148-2 and 1.148-7. Lessee acknowledges that the following facts, estimates and circumstances are in existence on the date of this Addendum or are reasonably expect to occur hereafter.
  - (a) The Lease provides for the lease of the Equipment 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 this Addendum and for the purpose of assuring Lessee of the availability of monies needed to pay the cost of the Equipment when due, Lessee and Lessor have agreed to the above terms of this Addendum and Lessor has agreed to pay the Deposit as provided herein.
  - (c) Binding contracts or purchase orders providing for the acquisition and delivery of the Equipment have been issued by Lessee to Equipment Vendors therefor or will be issued within 6 months of the Deposit Date. Lessee hereby agrees that it will cause the work under all such purchase orders and contracts to be diligently performed after the Deposit is paid to Lessee, and that the Equipment will be completed in accordance with the specifications therefor by such dates as shall be necessary so that no less than 95% of the Deposit shall be expended for costs of the Equipment within 6 months following the Deposit Date and that the entire Deposit shall be expended (or applied to the payment of rent) within 12 months following the Deposit Date.
  - (d) It is presently expected that all such funds initially deposited by Lessor with Lessee under this Addendum shall be disbursed to pay for the Equipment, but any such amounts ultimately determined not to be needed for such purposes shall no later than 12 months after Deposit Date be paid by Lessee to Lessor and such amount will applied by Lessor for benefit of Lessee either: (1) toward the principal portion of the Rent Payment next coming due under the Lease; or (2) toward a partial prepayment of the principal amount remaining due under the Lease and thereupon Lessor shall prepare and deliver to Lessee a revised Payment Schedule reflecting such partial prepayment of principal.
  - (e) All of the spendable proceeds of the Lease will be expended on the Equipment and related expenses within 12 months of the Deposit Date. The original proceeds of the Lease do not exceed the amount necessary for the purpose for which the Lease is issued. 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. No sinking fund is expected to be created by Lessee with respect to the Lease and Rental Payments.

(f) To be best of the knowledge and belief of the undersigned representative of Lessee, 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. 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.

(g) Lessee shall comply with the requirements of Section 148(f) of the Code and the Regulations and will rebate to the United States of America all arbitrage profit required thereby. Lessee hereby covenants to comply with all requirements of the Code and Regulations relating to the rebate of arbitrage profit to the United States of America.

9. **PARTIAL PREPAYMENT.** If there is a partial prepayment of principal pursuant to the terms of Section 2(c)(2) above of this Addendum, then in addition to the payment of the Partial Principal Amount, Lessee shall also pay to Lessor a break funding premium equal to the sum of the differences between (a) the interest portion of each scheduled payment which would have been made on the prepaid amount if such prepayment had not occurred and (b) the corresponding fixed-rate interest payment which would be received under an interest rate swap which the Lessor shall be deemed to have entered into as of the Prepayment Date (the "Replacement Swap") covering its payment obligations under an interest rate swap which the Lessor shall be deemed to have entered into when the prepaid amount was originally funded, with each such difference discounted to a present value as of the date of prepayment using the fixed interest rate of the Replacement Swap as the applicable discount rate; the Lessee acknowledges that the 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 foregoing 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 loan evidenced by this Note; all calculations and determinations by the Lessor of the amounts payable pursuant to the preceding provisions 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. **GENERAL.** 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

**Exhibit A**

**CERTIFICATE OF ACCEPTANCE**

(Delivered Pursuant To The Agency & No Arbitrage Schedule Addendum)

**Dated as of:**           **SAMPLE**

**Lease Schedule No.:** **SAMPLE**

**Lessee:**               **SAMPLE**

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

This Certificate of Acceptance is delivered by Lessee to Lessor pursuant to the Agency & No Arbitrage Schedule Addendum to the Schedule.

Lessee hereby notifies Lessor that Lessee has received all of the Equipment described in the Lease, including, without limitation, the Equipment described in Schedule A-1 attached hereto, as of the Acceptance Date stated below:

**ACCEPTANCE DATE: SAMPLE**

AS BETWEEN LESSEE AND LESSOR, LESSEE AGREES THAT: (a) LESSEE HAS RECEIVED AND INSPECTED ALL OF THE EQUIPMENT; (b) ALL EQUIPMENT IS IN GOOD WORKING ORDER AND COMPLIES WITH ALL PURCHASE ORDERS, CONTRACTS AND SPECIFICATIONS; (c) LESSEE ACCEPTS ALL EQUIPMENT FOR PURPOSES OF THE LEASE "AS-IS, WHERE-IS"; AND (d) LESSEE WAIVES ANY RIGHT TO REVOKE SUCH ACCEPTANCE.

**SAMPLE**  
(Lessee)

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

By: (DO NOT SIGN)

By: (DO NOT SIGN)

Title: (DO NOT SIGN)

Title: Authorized Officer

[Copies of Invoices/Bills of Sale and  
Proof of Payment and Insurance attached hereto]



**AGENCY SCHEDULE A-1**  
Equipment Description

**Dated as of:**           **SAMPLE**

**Lease Schedule No.:** **SAMPLE**

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

**Equipment Location:**    (DO NOT COMPLETE)

(DO NOT COMPLETE)

**Equipment Description:** (DO NOT COMPLETE)

(DO NOT COMPLETE)

**Equipment Purchase Price:** \$(DO NOT COMPLETE)

This Schedule A-1 is attached to the Certificate of Acceptance (Delivered Pursuant To The Agency & No Arbitrage Schedule Addendum).

**SAMPLE**  
(Lessee)

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

By: (DO NOT COMPLETE)

By: (DO NOT COMPLETE)

Title: (DO NOT COMPLETE)

Title: Authorized Officer



## AGENCY AGREEMENT INSTRUCTIONS

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, as well as the Agency & No Arbitrage Schedule Addendum, regarding your equipment purchase.

- You must establish a separate account for the Deposit money
- Pay the equipment invoices from the Deposit account when you have received and accepted the equipment
- **Complete the acceptance package, which should include:**
  1. Certificate of Acceptance with its Schedule A-1
  2. Vendor invoice(s), bills of sales, and other documents confirming the sale and installation of the equipment
  3. Proof of payment (such as a copy of a cancelled check)
  4. Insurance will be required on all delivered equipment at the time of purchase. Proof of Insurance will be submitted along with each Certificate of Acceptance.
  5. If the equipment is motor vehicles, also include either the Original Vehicle Title showing JPMorgan Chase Bank, N.A. as first lienholder or (if the original title has not yet been received) a copy (front and back) of the Manufacturer's Statement of Origin showing JPMorgan Chase Bank, N.A. as lienholder.
- Send the acceptance package to JPMorgan Chase Bank, N.A. at the following address:

JPMorgan Chase Bank, N.A.  
Attn: Escrow/Agency Operations Specialist  
1111 Polaris Parkway, Suite A-3  
Columbus, OH 43240
- Please refer to the Agency & No Arbitrage Schedule Addendum for the terms regarding the Deposit and equipment purchase.

If you have any questions about your lease please feel free to call me, LORY R. KING, at 800-678-2601.



**CERTIFICATE OF ACCEPTANCE**  
(Delivered Pursuant To The Agency & No Arbitrage Schedule Addendum)

**Dated as of:**

**Lease Schedule No.: 1000135645**

**Lessee: CITY OF PASADENA**

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

This Certificate of Acceptance is delivered by Lessee to Lessor pursuant to the Agency & No Arbitrage Schedule Addendum to the Schedule.

Lessee hereby notifies Lessor that Lessee has received all of the Equipment described in the Lease, including, without limitation, the Equipment described in Schedule A-1 attached hereto, as of the Acceptance Date stated below:

**ACCEPTANCE DATE:** \_\_\_\_\_, 20\_\_

AS BETWEEN LESSEE AND LESSOR, LESSEE AGREES THAT: (a) LESSEE HAS RECEIVED AND INSPECTED ALL OF THE EQUIPMENT; (b) ALL EQUIPMENT IS IN GOOD WORKING ORDER AND COMPLIES WITH ALL PURCHASE ORDERS, CONTRACTS AND SPECIFICATIONS; (c) LESSEE ACCEPTS ALL EQUIPMENT FOR PURPOSES OF THE LEASE "AS-IS, WHERE-IS"; AND (d) LESSEE WAIVES ANY RIGHT TO REVOKE SUCH ACCEPTANCE.

**CITY OF PASADENA**  
(Lessee)

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

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

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

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

Title: Authorized Officer

[Copies of Invoices/Bills of Sale and  
Proof of Payment and Insurance attached hereto]

**SCHEDULE A-1**  
Equipment Description

**Dated as of:**

**Lease Schedule No.: 1000135645**

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

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

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

**Equipment Purchase Price: \$** \_\_\_\_\_

This Schedule A-1 is attached to the Certificate of Acceptance (Delivered Pursuant To The Agency & No Arbitrage Schedule Addendum).

**CITY OF PASADENA**  
(Lessee)

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

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

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

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

Title: Authorized Officer



CERTIFICATE OF INCUMBENCY

Dated: DECEMBER 23, 2011

Lease Schedule No: 1000135645

Lessee: CITY OF PASADENA

I, the undersigned Secretary/Clerk identified below, do hereby certify that I am the duly elected or appointed and acting Secretary/Clerk of the above Lessee (the "Lessee"), a political subdivision duly organized and existing under the laws of the State where Lessee is located, that I have the title stated below, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of the Lessee holding the offices set forth opposite their respective names.

[NOTE: Use same titles as Authorized Representatives stated in Resolutions.]

Name Title Signature

Name Title Signature

IN WITNESS WHEREOF, I have duly executed this certificate and affixed the seal of such Lessee as of the date set forth below.

Signature of Secretary/Clerk of Lessee

Print Name:

Official Title:

Date:

NOTE: In case the Secretary/Clerk is also the authorized representative that executes a Lease-Purchase Agreement / documents by the above incumbency, this certificate must also be signed by a second officer.

Print Name: Signature:

Title:



**RESOLUTION AND DECLARATION OF OFFICIAL INTENT**

**Lessee: CITY OF PASADENA**

**Principal Amount Expected To Be Financed: \$2,072,805.25**

WHEREAS, the above Lessee is a political subdivision of the State in which Lessee is located (the "State") and is duly organized and existing pursuant to the constitution and laws of the State.

WHEREAS, pursuant to applicable law, the governing body of the Lessee ("Governing Body") is authorized to acquire, dispose of and encumber real and personal property, including, without limitation, rights and interests in property, leases and easements necessary to the functions or operations of the Lessee.

WHEREAS, the Governing Body hereby finds and determines that the execution of one or more lease-purchase agreements ("Equipment Leases") in the principal amount not exceeding the amount stated above ("Principal Amount") for the purpose of acquiring the property generally described below ("Property") and to be described more specifically in the Equipment Leases is appropriate and necessary to the functions and operations of the Lessee.

**Brief Description Of Property: See Attached Schedule A-1**

WHEREAS, JPMorgan Chase Bank, N.A. ("Lessor") is expected to act as the lessor under the Equipment Leases.

WHEREAS, the Lessee may pay certain capital expenditures in connection with the Property prior to its receipt of proceeds of the Equipment Leases ("Lease Purchase Proceeds") for such expenditures and such expenditures are not expected to exceed the Principal Amount.

WHEREAS, the U.S. Treasury Department regulations do not allow the proceeds of a tax-exempt borrowing to be spent on working capital and the Lessee shall hereby declare its official intent to be reimbursed for any capital expenditures for Property from the Lease Purchase Proceeds.

NOW, THEREFORE, Be It Resolved by the Governing Body of the Lessee:

**SECTION 1.** Either one of the (insert title) \_\_\_\_\_ **OR** the (insert title) \_\_\_\_\_ (each an "Authorized Representative") acting on behalf of the Lessee is hereby authorized to negotiate, enter into, execute, and deliver one or more Equipment Leases in substantially the form set forth in the document presently before the Governing Body, which document is available for public inspection at the office of the Lessee. Each Authorized Representative acting on behalf of the Lessee is hereby authorized to negotiate, enter into, execute, and deliver such other documents relating to the Equipment Lease (including, but not limited to, escrow agreements) as the Authorized Representative deems necessary and appropriate. All other related contracts and agreements necessary and incidental to the Equipment Leases are hereby authorized.

**SECTION 2.** By a written instrument signed by any Authorized Representative, said Authorized Representative may designate specifically identified officers or employees of the Lessee to execute and deliver agreements and documents relating to the Equipment Leases on behalf of the Lessee.

**SECTION 3.** The aggregate original principal amount of the Equipment Leases shall not exceed the Principal Amount and shall bear interest as set forth in the Equipment Leases and the Equipment Leases shall contain such options to purchase by the Lessee as set forth therein.

**SECTION 4.** The Lessee's obligations under the Equipment Leases shall be subject to annual appropriation or renewal by the Governing Body as set forth in each Equipment Lease and the Lessee's obligations under the Equipment Leases shall not constitute a general obligations of the Lessee or indebtedness under the Constitution or laws of the State.

**SECTION 5.** The Governing Body of Lessee anticipates that the Lessee may pay certain capital expenditures in connection with the Property prior to the receipt of the Lease Purchase Proceeds for the Property. The Governing Body of Lessee hereby

declares the Lessee's official intent to use the Lease Purchase Proceeds to reimburse itself for Property expenditures. This section of the Resolution is adopted by the Governing Body of Lessee for the purpose of establishing compliance with the requirements of Section 1.150-2 of Treasury Regulations. This section of the Resolution does not bind the Lessee to make any expenditure, incur any indebtedness, or proceed with the purchase of the Property.

**SECTION 6.** This Resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED on this \_\_\_\_\_, 20\_\_.

The undersigned Secretary/Clerk of the above-named Lessee hereby certifies and attests that the undersigned has access to the official records of the Governing Body of the Lessee, that the foregoing resolutions were duly adopted by said Governing Body of the Lessee at a meeting of said Governing Body and that such resolutions have not been amended or altered and are in full force and effect on the date stated below.

\_\_\_\_\_  
Signature of Secretary/Clerk of Lessee

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

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

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



**PROCEEDS DISBURSEMENT AUTHORIZATION**

JPMORGAN CHASE BANK, N.A.  
1111 Polaris Parkway, Suite A3 (OH1-1085)  
Columbus, OH 43240

Date: DECEMBER 23, 2011

Re: Disbursements Of Proceeds Under The MASTER LEASE PURCHASE AGREEMENT Referred To Below

Reference is made to that certain Lease Purchase Agreement and Agency Agreement dated December 23, 2011 between **CITY OF PASADENA**, ("Lessee") and **JPMORGAN CHASE BANK, N.A.** (the "Lessor")

I hereby instruct you and authorize you to disburse **\$2,072,805.25** to the payee as specified below:

**Payee**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

By signing below, Lessee authorizes Lessor to issue checks or direct fund transfers to the payees, in the amounts, and per the instructions (if applicable) set forth above. Lessee also acknowledges that it may be responsible for paying other fees directly to third parties, such as Lessor's counsel, and making other disbursements in connection with the lease transaction per the terms of the lease documents. Lessor may rely and act on the instructions set forth herein and shall not be responsible for the use or application of the funds, and Lessee shall indemnify, defend and hold harmless Lessor from and against any and all losses, costs, expenses, fees, claims, damages, liabilities, and causes of action in any way relating to or arising from acting in accordance therewith. In the event of any conflict with any other instruction set forth herein, the ABA # and Account # shall control.

IN WITNESS WHEREOF, the Lessee has caused this Proceeds Disbursement Authorization to be executed as of the day and year first above written.

**CITY OF PASADENA**

(Lessee)

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

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





LEASE-PURCHASE (TITLE VEHICLE) INSURANCE REQUEST LETTER  
PUBLIC SECTOR

November 29, 2011

AGENT \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY/ST/ZIP \_\_\_\_\_

PHONE#: \_\_\_\_\_

FAX#: \_\_\_\_\_

Dear Agent:

**JPMORGAN CHASE BANK, N.A.** (the "Bank") requires proof of acceptable insurance coverage before the transaction can close. The requirements identified below must stay in full effect throughout the term of the transaction.

1. The certificate of insurance must be issued directly to JPMorgan Chase Bank, N.A. and shall be issued by a company having an A.M. Best Rating of at least A- with a Financial Size Category of at least VIII.
2. The certificate of insurance must be executed.
3. The insurance must be primary and without right of contribution and any insurance maintained by the Bank or any other additional insured or loss payee will be in excess and non-contributory.
4. Policies must include a Waiver of Subrogation in favor of "JPMorgan Chase Bank, N.A., its parent and affiliates, successors or assigns".
5. Policies must include a Severability of Interest and Cross-Liability clause.
6. Policies must include a thirty (30) day prior written Notice of Cancellation to the Certificate Holder/Additional Insured. Such notice must be directed by certified mail to: JPMorgan Chase Bank, N.A., 1111 Polaris Parkway, Suite A3, Columbus, Ohio 43240, Attn: Insurance Dept.
7. **PHYSICAL DAMAGE**
  - a. Replacement cost coverage for the equipment identified on the attached Schedule A-1, which is estimated to be **\$2,072,805.25**.
  - b. "JPMorgan Chase Bank, N.A., its parent and affiliates, successors or assigns" shall be named as Loss Payee.
8. **LIABILITY**
  - a. Auto liability coverage must be provided in the amount of **\$1,000,000.00**.
  - b. "JPMorgan Chase Bank, N.A., its parent and affiliates, successors or assigns" shall be named as Additional Insured.

Please immediately send proof of the above insurance requirements **VIA FACSIMILE TRANSMITTAL 866-276-4068**.

Sincerely,  
**CITY OF PASADENA**

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

An IRS 8038-G is required on municipal transactions to satisfy an IRS requirement.

Please complete and sign the IRS 8038-G as part of the funding requirements. A copy is included. You may access the IRS website to obtain the form and instructions.

If you want JPMorgan Chase Bank to file the form, please include the completed and executed form with your executed documents.

If the City will file their form, please include a copy of the completed and executed form IRS 8038-G with your executed documents. Also, we request written notification of your filing with the IRS with the documentation package.