

Date:

Lessee: City of Pasadena

Lessor: JP Morgan Chase Bank, N.A.

Re: Lease Schedule No. _____, 2012 together with its Master Lease-Purchase Agreement dated as December 23, 2011 by and between the above-named Lessee and the above-named Lessor and the Agency & No Arbitrage Schedule Addendum dated _____, 2012 relating to the foregoing.

Sir/Madam:

I have acted as counsel to Lessee with respect to the Lease Schedule and its Addenda, the Master Lease-Purchase Agreement and its Addenda, and all other agreements described above or related thereto (collectively, the "Agreements") and various related matters, and in this capacity have reviewed a duplicate original or certified copy of the Agreements and such other documents as I have deemed necessary for the purposes of this opinion.

Based upon the examination of such documents, it is my opinion that:

1. Lessee is a municipal corporation and charter city according to the laws of the State of California (the "State"), duly organized, existing and operating under the Constitution and laws of the State.
2. Lessee is authorized and has power under the State law to enter into all of the Agreements, and to carry out its obligations thereunder and the transactions contemplated thereby.
3. The Agreements and all other documents related thereto have been duly authorized, approved and executed by and on behalf of Lessee, and each of the Agreements is a valid and binding contract of Lessee enforceable in accordance with its terms, except to the extent limited by State and Federal laws affecting creditor's remedies and by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditor's rights.

4. The authorization, approval and execution of the Agreements and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all applicable Local, State and Federal laws (including open meeting laws and public bidding and property acquisition laws).

5. To the best of my knowledge, there is no litigation or proceeding pending before any court, administrative agency or governmental body, that challenges: the organization or existence of Lessee; the authority of its officers; the proper authorization, approval and execution of any of the Agreements or any documents relating thereto; the appropriation of monies to make payments under the Agreements for the current fiscal year; or the ability of Lessee otherwise to perform its obligations under the Agreements and the transactions contemplated thereby.

6. Lessee is a municipal corporation and charter city according to the laws of the State as referred to in Section 103 of the Internal Revenue Code of 1986, as amended, and the related regulations and rulings thereunder.

Lessor, its Assignee and any of their assigns may rely upon this opinion.

Very truly yours,

Michele Beal Bagneris
City Attorney

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER LEASE AGREEMENT, EQUIPMENT SCHEDULE NO. 01, AN ESCROW AGREEMENT, AND RELATED INSTRUMENTS, AND OTHER DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, the City of Pasadena is a municipal corporation and charter city according to the laws of the State of California (the "State"), duly organized, existing and operating under the Constitution and laws of the State; and

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 interest in property, leases and easements necessary to the functions or operations of the Lessee; and

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; and

Brief Description of Property: See Attached Schedule A-1

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

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; and

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 Director of Finance or the City Manager (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 obligation 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 at a regular meeting of the City Council on this ____, day of June, 2012.

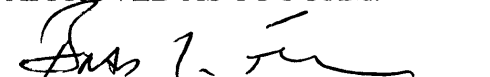
AYES:

NOES:


ABSTAIN:

ABSENT:

APPROVED AS TO FORM:

By

Michele Beal Bagneris
City Attorney

ATTEST:


Mark Jomsky
City Clerk



LEASE SCHEDULE

Dated as of: MAY 1, 2012

Lease No.: 1000136240

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. 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.
F. 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. **1000136240** dated **MAY 1, 2012**

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

Equipment Location: 207 N. GARFIELD AVENUE
PASADENA, CA 941101

Equipment Description: One (1) MD HELICOPTER INC 369E (500E)

Airframe Manufacturer/Model: MD Helicopters, Inc. Model 369E

Manufacturer/Year: 2009

Airframe Serial No.: 0598

U.S. Registration No.: N501RM

Engine Quantity/Manufacturer/Model: One (1) / Allison / Model 250-C20B

Engine Serial Number(s): CAE837109

Expected Equipment Purchase Price **\$1,584,325.63**

Minus Lessee Down Payment/Trade-in \$0.00

Net Amount Financed **\$1,584,325.63**

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. **1000136240** Dated **MAY 1, 2012**

Accrual Date: **MAY 1, 2012**

Amount Financed: **\$1,584,325.63**

Interest Rate: **2.0400%** per annum

Rent Number	Rent Date	Rent Payment	Interest Portion	Principal Portion	Termination Value
1	12/1/2012	\$130,969.40	\$18,853.48	\$112,115.92	\$1,472,209.71
2	6/1/2013	\$130,969.40	\$15,016.54	\$115,952.86	\$1,356,256.85
3	12/1/2013	\$130,969.40	\$13,833.82	\$117,135.58	\$1,239,121.27
4	6/1/2014	\$130,969.40	\$12,639.04	\$118,330.36	\$1,120,790.91
5	12/1/2014	\$130,969.40	\$11,432.07	\$119,537.33	\$1,001,253.58
6	6/1/2015	\$130,969.40	\$10,212.79	\$120,756.61	\$880,496.97
7	12/1/2015	\$130,969.40	\$8,981.07	\$121,988.33	\$758,508.64
8	6/1/2016	\$130,969.40	\$7,736.79	\$123,232.61	\$635,276.03
9	12/1/2016	\$130,969.40	\$6,479.82	\$124,489.58	\$510,786.45
10	6/1/2017	\$130,969.40	\$5,210.02	\$125,759.38	\$385,027.07
11	12/1/2017	\$130,969.40	\$3,927.28	\$127,042.12	\$257,984.95
12	6/1/2018	\$130,969.40	\$2,631.45	\$128,337.95	\$129,647.00
13	12/1/2018	\$130,969.40	\$1,322.40	\$129,647.00	\$ 0.00
Totals		\$1,702,602.20	\$118,276.57	\$1,584,325.63	

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 **MAY 1, 2012**

Lease Schedule No. **1000136240**

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)

By: _____

Title: _____

JPMORGAN CHASE BANK, N.A.

(Lessor)

By: _____

Title: Authorized Officer



AGENCY & NO ARBITRAGE SCHEDULE ADDENDUM

Dated as of: MAY 1, 2012

Lease Schedule No.: 1000136240

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: \$1,584,325.63

Deposit Date: MAY 1, 2012

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 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: **MAY 1, 2012**

Lease Schedule No.: **1000136240**

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: __ (DO NOT SIGN) __

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: (DO NOT SIGN)

By: _____

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: **MAY 1, 2012**

Lease Schedule No.: **1000136240**

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

Equipment Location: (DO NOT FILL IN)

Equipment Description: (DO NOT FILL IN)

Equipment Purchase Price: \$(DO NO T FILL IN)

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: (DO NOT SIGN)

By: _____

Title: _____

Title: Authorized Officer



CERTIFICATE OF ACCEPTANCE

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

Dated as of: **MAY 1, 2012**

Lease Schedule No.: **1000136240**

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 SunTrust payoff letter and
Proof of Payment and Insurance attached hereto]

SCHEDULE A-1
Equipment Description

Dated as of: **MAY 1, 2012**

Lease Schedule No.: **1000136240**

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

**IRREVOCABLE POWER OF ATTORNEY IN FACT
(AIRCRAFT REGISTRATION)**

CITY OF PASADENA, a(n) political subdivision of the State of California (the "**Registered Owner**") is the Lessee under that certain Lease Schedule dated as of May 1 , 2012 executed in favor of **JPMORGAN CHASE BANK, N.A. ("Lessor")** and with respect, in part, to **one (1) MD Helicopter, Inc. model 500E** (described as **MD Helicopters Inc model 369E** on the International Registry drop down menu) aircraft bearing manufacturer's serial number **0598E** and United States Registration Number **N501RM**, together with one (1) Allison model C20B (described as Allison model **250-C20B** on the International Registry drop down menu) aircraft engine bearing manufacturer's serial number **CAE837109** (the "**Aircraft**") and the Registered Owner is the registered owner of the Aircraft with the Federal Aviation Administration ("**FAA**") and the Aircraft Registry (the "**Registry**").

In consideration of the lease made by Lessor that is secured by the Master Lease Purchase Agreement (the receipt and sufficiency of which is hereby acknowledged) and in accordance with the Master Lease Purchase Agreement the Registered Owner hereby:

1. IRREVOCABLY AND UNCONDITIONALLY APPOINTS Lender as its true and lawful Attorney in Fact (in such capacity the "**Attorney in Fact**") to:
 - 1.1 generally do any and all such acts and things as may be required and to execute and deliver upon its behalf and in its name any documents, instruments or certificates and any amendments thereto (if any) which may be required to:
 - (a) register, re-register or renew the registration of the Aircraft in the name of the Registered Owner with the Registry, including but not limited to the execution of any FAA AC Forms 8050-1, 8050-1A or 8050-1B and the submission of any information or forms on or through the FAA website established to allow for the registration, re-registration or renewal of said registration; and
 - (b) to reserve or extend the reservation of the United States Registration Number associated with the Aircraft or to release or assign the United States Registration Number to another entity and/or aircraft.
2. AGREES that:
 - 2.1 Registered Owner shall indemnify, defend and hereby undertakes from time to time and at all times to indemnify and defend the Attorney in Fact against all costs, claims, expenses and liabilities properly incurred by any Attorney in Fact in connection herewith;
 - 2.2 Registered Owner ratifies and confirms and will ratify and confirm any action taken and document executed by the Attorney in Fact by virtue of this Irrevocable Power of Attorney in Fact (the "**Power of Attorney**");
 - 2.3 any officer, director, or manager of Attorney in Fact may execute documents for Attorney in Fact in its capacity as Attorney in Fact for Registered Owner;
 - 2.4 this Power of Attorney shall be conclusive and binding upon Registered Owner and no person or entity shall be under any obligation to make any inquiries as to whether or not this Power of Attorney has been revoked, all parties may rely on an executed copy or facsimile of this Power of Attorney and the revocation or termination of this Power of Attorney shall be ineffective as to any documents executed pursuant to this Power of Attorney; and
 - 2.5 this Power of Attorney may be filed with the Registry.

RESOLUTION

CITY OF PASADENA (the "**Registered Owner**"), hereby certifies that the following is a true and correct copy of a resolution adopted by the Registered Owner as of _____, ____ 2012:

RESOLVED, that the IRREVOCABLE POWER OF ATTORNEY IN FACT (AIRCRAFT REGISTRATION), appointing JPMORGAN CHASE BANK, N.A., as Attorney in Fact for the Registered Owner, is hereby approved and any officer of Registered Owner is hereby authorized to execute and deliver such Irrevocable Power of Attorney in Fact.

DATED as of this ____ day of _____ 2012.

CITY OF PASADENA
(Registered Owner)

By: _____

Title: _____

State of _____)
) ss.
County of _____)

On this ____ day of _____, personally appeared _____, the _____ of CITY OF PASADENA ("Registered Owner"), known to me to be the person whose name is subscribed to the foregoing resolutions and acknowledged that he/she executed the same on behalf of Registered Owner.

IN WITNESS WHEREOF, I hereunto set my hand and Official Seal.

Notary Public
My commission expires:

(Seal)

*It includes
the Pass*

AIRCRAFT SECURITY AGREEMENT

Dated As Of _____, 2012

This Agreement is made as of the above date by and between JPMORGAN CHASE BANK, N.A., ("JPMorgan"), with JPMorgan's mailing address being at 1111 Polaris Parkway, Suite A3, Columbus, Ohio 43240, Attention: GNPH Operations Manager and the Owner identified below ("Owner")

Owner: CITY OF PASADENA

Owner's Mailing Address: 100 N. Garfield Avenue, Pasadena, CA 91109

1. Grant of Security Interest. To secure the prompt payment and complete performance of the Secured Obligations (as hereinafter defined), Owner hereby grants and pledges to JPMorgan a first priority security interest in all of Owner's respective right, title and interest, purchase money as appropriate, in and to the aircraft property described in Section 2 below, now or hereafter arising or acquired, wherever located, together with any and all additions, accessions, parts, accessories, substitutions and replacements thereof, now or hereafter installed in, affixed to or used in connection with said aircraft property, in all products and proceeds thereof, cash and non-cash (collectively, the "Collateral").

2. Aircraft Property Described. The aircraft property consists of all the property described on Schedule A-1 attached hereto and made a part hereof. and said property shall include all engines, rotors, propellers, avionics, communication equipment, navigation equipment, instruments, accessories, attachments, parts, appurtenances, accessions, furnishings and other equipment attached to, installed in or relating to any of the foregoing property and all maintenance and service logs and records relating to the foregoing property.

3. Secured Obligations. This Agreement secures the full and prompt payment and performance of all obligations and liabilities which Owner now has or may hereafter have to JPMorgan under or in any way related to the Financing Contract identified below together with any and all riders, addenda, schedules, exhibits, attachments, amendments, supplements and other documents related to said Financing Contract (collectively, the "Contract") and secures the prompt payment when due (whether at scheduled maturity, upon acceleration or otherwise) of any and all sums, obligations and liabilities of whatsoever nature, due or to become due, now or hereafter at any time owed by Owner to JPMorgan under or in any way related to the Contract (all of the foregoing hereinafter called "Secured Obligations"). The absence of any reference to this Agreement in any documents evidencing or relating to any Secured Obligations secured hereby shall not limit or be construed to limit the scope of this Agreement.

Financing Contract: Collectively, the Master Lease-Purchase Agreement dated as of December 23, 2011, as amended from time to time by Lessee and Lessor together with all exhibits, attachments, schedules, riders and addenda thereto including, without limitation, its Addendum to the Master Lease-Purchase Agreement dated as of May 1, 2012.

4. Certain Definitions. "Act" means subtitle VII of Title 49 of the United States Code. "Cape Town Treaty" has the meaning provided in 49 U.S.C. section 44113(1). "International Interest" has the meaning provided thereto in the Cape Town Treaty. "International Registry" has the meaning provided in 49 U.S.C. section 44113(3). "Prospective Assignment" shall have the meaning provided thereto in the Cape Town Treaty. "Prospective International Interest" shall have the meaning provided thereto in the Cape Town Treaty.

5. Representations, Warranties and Covenants. Owner represents, warrants, covenants and agrees as follows: (a) Owner is and will continue to be the legal and beneficial owner of the Collateral free and clear of any lien, security interest or encumbrance except for any security interest granted to JPMorgan; and (b) Owner will execute and deliver such instruments and do such other things as may be reasonably necessary or appropriate to preserve, protect and enforce the security interest and lien of JPMorgan in the Collateral under applicable federal or state law; and (c) the Collateral will be maintained and inspected under Part 91 of the Federal Aviation Regulations. OWNER SHALL NOT, DIRECTLY OR INDIRECTLY, WITHOUT THE PRIOR WRITTEN CONSENT OF JPMORGAN: (a) MORTGAGE, ASSIGN, SELL, TRANSFER, OR OTHERWISE DISPOSE OF INTEREST IN THIS AGREEMENT OR THE COLLATERAL OR ANY PART THEREOF; OR (b) LEASE, RENT, LEND OR TRANSFER POSSESSION OR USE OF THE EQUIPMENT OR ANY PART THEREOF TO ANY PARTY; OR (c) CREATE, INCUR, GRANT, ASSUME OR ALLOW TO EXIST ANY LIEN, SECURITY INTEREST OR OTHER ENCUMBRANCE ON ITS INTEREST IN THIS AGREEMENT, THE COLLATERAL OR ANY PART THEREOF; OR (d) REGISTER ANY PROSPECTIVE OR CURRENT INTERNATIONAL INTEREST OR CONTRACT OF SALE (OR ANY AMENDMENT, MODIFICATION, SUPPLEMENT, SUBORDINATION OR SUBROGATION THEREOF) WITH THE INTERNATIONAL REGISTRY; OR (e) EXECUTE OR DELIVER ANY IRREVOCABLE DE-REGISTRATION AND EXPORT REQUEST AUTHORIZATION TO ANY PARTY OTHER THAN THE JPMORGAN.

6. Events of Default; Remedies. Each of the following events shall be an "Event of Default" under this Agreement: (a) any default by Owner in the performance of any covenant or agreement herein; or (b) any warranty or representation made to JPMorgan by Owner in this Agreement proving to have been false in any material respect when made; or (c) any default by Owner in payment or performance of any covenant or agreement contained in the Contract or in any document relating to any Secured Obligation; or (d) any event of default (as such term is used or defined in the Contract) shall occur and be continuing. If any Event of Default shall occur, then JPMorgan may, at its option, exercise any and all of its remedies as are set forth in the Contract and/or as may be available to a secured party under Article 9 of the applicable Uniform Commercial Code – Secured Transactions.

7. Compliance With Cape Town Treaty; Recordation With The International Registry. Without limiting any other terms or conditions of this Agreement, Owner agrees as follows, all of which shall be undertaken at Owner's sole expense: (a) Prior to the closing of the transactions under the Contract, Owner shall register and be approved as a "user" with the International Registry. (b) Prior to the closing of the transactions under the Contract, Owner shall take any and all such action, and shall execute and deliver such instruments, documents and certificates, as JPMorgan may require in order to accurately register and timely record the respective interests of Owner and JPMorgan in the Collateral with the International Registry pursuant to the Cape Town Treaty, such interests to be searchable in the International Registry to the satisfaction of the JPMorgan, and with the Federal Aviation Administration ("FAA") pursuant to the Act, including, without limitation, providing such consents as may be required to permit JPMorgan to give effect to the timely registration and recordation with the International Registry of the respective interests of Owner and JPMorgan in the Collateral. (c) Owner shall take any and all such action, and shall execute and deliver such instruments, documents and certificates, as JPMorgan may require in order to maintain the registration and recordation of the respective interests of Owner and JPMorgan in the Collateral with the International Registry pursuant to the Cape Town Treaty and with the FAA pursuant to the Act.

8. Miscellaneous. (a) This Agreement shall be construed and interpreted under the laws of the State of California. (b) This Agreement shall be binding upon Owner and its successors and assigns, and shall be binding upon and inure to the benefit of JPMorgan and its successors and assigns. Owner cannot assign this Agreement. (c) This Agreement may be amended, but only by a written amendment signed by JPMorgan and Owner. (d) If any provisions of this Agreement or the application of any provision to any party or circumstance shall, to any extent, be adjudged invalid or unenforceable, the application of the remainder of such provision to such party or circumstance, the application of such provision to other parties or circumstances, and the application of the remainder of this Agreement shall not be affected thereby. (e) This Agreement may be executed in any number of separate counterparts which shall together constitute a single instrument.

Owner:
CITY OF PASADENA

By: _____

Name: _____

Title: _____

JPMorgan:
JPMORGAN CHASE BANK, N.A.

By: _____

Name: _____

Title: _____

SCHEDULE A-1

AIRCRAFT PROPERTY DESCRIBED

Airframe Manufacturer/Model: MD Helicopters, Inc. Model 369E

Manufacturer/Year: 2009

Airframe Serial No.: 0598E

U.S. Registration No.: N501RM

Engine Quantity/Manufacturer/Model: Single engine / Allison /Model 250-C20B

Engine Serial Number(s): CAE837109

Does the engine have 550 or more rated takeoff horsepower or the equivalent of such horsepower? No, it is rated for 420 SHP.

ADDENDUM TO MASTER LEASE-PURCHASE AGREEMENT

THIS ADDENDUM is made as of the 1st day of May, 2012 between JPMorgan Chase Bank, N.A.. ("Lessor") and the City of Pasadena ("Lessee").

A. Lessor and Lessee are parties to the Master Lease-Purchase Agreement dated as of December 23, 2011, as amended from time to time by Lessee and Lessor together with all exhibits, attachments, schedules, riders and addenda thereto (collectively, the "Lease").

B. The Equipment described in the Lease (the "Equipment") includes, without limitation, one helicopter..

C. The Equipment is currently subject to a lien or security interest in favor of **SunTrust Equipment Finance & Leasing Corp** ("Current Lienholder") as security for financial obligations due and owing by Lessee to Current Lienholder ("Outstanding Obligations").

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements contained herein and in the Lease, it is hereby agreed as follows:

Section 1. All terms capitalized but not defined herein shall have the meanings ascribed to them in the Lease. "Federal Aviation Act" means subtitle VII of Title 49 of the United States Code. "Cape Town Treaty" has the meaning provided in 49 U.S.C. section 44113(1). "International Interest" has the meaning provided thereto in the Cape Town Treaty. "International Registry" has the meaning provided in 49 U.S.C. section 44113(3). "Lien" means any security interest, lien, International Interest, Prospective Assignment, Prospective International Interest, mortgage, pledge, encumbrance, judgment, execution, attachment, warrant, writ, levy, other judicial process or claim of any nature whatsoever by or of any person. "Prospective Assignment" shall have the meaning provided thereto in the Cape Town Treaty. "Prospective International Interest" shall have the meaning provided thereto in the Cape Town Treaty. "FAA" means the Federal Aviation Administration. All terms defined herein are equally applicable to both the singular and plural form of such terms.

Section 2. All other terms and conditions of the Lease not specifically amended by this Addendum shall remain in full force and effect and are hereby ratified and confirmed by Lessee.

Section 3. All references in the Lease to "Equipment" shall include, without limitation, the helicopter described in the Lease, the engines, propellers, main rotor systems, tail rotor systems and transmissions of such helicopters, all components of such helicopter and all avionics, communication equipment, navigation equipment, instruments, accessories, attachments, parts, appurtenances, accessions, furnishings and other equipment attached to, installed in or relating to such helicopters and aircraft.

Section 4. In addition to requirements contained in the Lease, Lessor shall have no obligation to disburse any amounts to the Current Lienholder to payoff the Outstanding Obligations until after Lessor has received all of the following in form and substance satisfactory to Lessor, all of which shall be undertaken at Lessee's sole cost and expense:

(a) terminations or releases of liens (in a form recordable with the FAA, if applicable) from the Current Lienholder and any other creditor with a lien on any part of the Equipment as shown in the FAA lien records, or in state or local lien records and evidence that any International Interest, Prospective Assignment, or Prospective International Interest in any way relating to the Equipment not consented to in writing by Lessor has been discharged;

(b) evidence reasonably satisfactory to Lessor that the Equipment has been duly certified as to type and airworthiness by the FAA;

(c) evidence reasonably satisfactory to Lessor's FAA counsel that (1) Lessee is identified on the records of the FAA and the International Registry as the sole owner of the Equipment and (2) Lessee has been duly issued the FAA Aircraft Registration Certificate which provides that Lessee is the registered owner of the Equipment;

(d) an executed duplicate of the Aircraft Security Agreement granting Lessor the first and sole security interest in the Equipment which is in form and substance satisfactory to Lessor and in proper form for filing with the FAA;

(e) Lessee shall register and be approved as a "user" with the International Registry;

(f) Lessee shall take any and all such action, and shall execute and deliver such instruments, documents and certificates, as Lessor may require in order to accurately register and timely record the respective interests of Lessee and Lessor in the Equipment with the International Registry pursuant to the Cape Town Treaty, such interests to be searchable in the International Registry to the satisfaction of the Lessor, and with the FAA pursuant to the Federal Aviation Act, including, without limitation, providing such consents (and does hereby consent) as may be required to permit Lessor to give effect to the timely registration and recordation with the International Registry of the respective interests of Lessee and Lessor in the Equipment;

(g) evidence of insurance with respect to the Equipment in compliance with the Lease and Section 5 of this Addendum; and

(h) any other documents or items reasonably requested by Lessor.

Section 5. Without limiting the generality of any other provision of the Lease, Lessee hereby agrees and covenants as follows:

(a) Lessee shall cause the Equipment to be duly registered under the Federal Aviation Act and shall not register the Equipment under the laws of any other country.

(b) Lessee agrees that the Equipment will be used and operated in compliance with any and all statutes, laws, ordinances, regulations and standards or directives issued by any governmental agency applicable to the use or operation thereof, in compliance with any airworthiness certificate, license or registration relating to the Equipment issued by an agency and in a manner that does not modify or impair any existing warranties on the Equipment or any part thereof.

(c) Lessee shall operate the Equipment solely for governmental use and shall not operate or permit the Equipment to be operated (1) in a manner wherein the predominance of use during any consecutive twelve-month period would be for a purpose other than transportation for Lessee, or in a manner, for any time period, such that Lessor shall be deemed to have "operational control" of the Equipment, or (2) for the carriage of persons or property for hire or the transport of mail or contraband. Lessee shall not operate the Equipment under Part 135 of FAR without the prior written approval of Lessor.

(d) Lessee agrees that the Equipment will at times be operated by duly qualified pilots holding at least a valid commercial airman certificate and instrument rating and any other certificate, rating, type rating or endorsement appropriate to the Equipment, purpose of flight, conditions of flight or as otherwise required by Federal Aviation Regulations ("FAR") and by the insurance policies required hereunder.

(e) Lessee agrees to maintain, inspect, service and repair, overhaul and test the Equipment in accordance with all statutes, laws, ordinances and regulations (including FAR), the FAA approved maintenance program, the manufacturer's approved maintenance program, any FAA airworthiness directives, and any manufacturer's alert bulletins and urgently recommended service bulletins and procedures, and perform all duties and tasks which would be required to maintain the Equipment, including the engines, in full compliance with the manufacturer's specifications (i) so as to keep the Equipment in as good operating condition as when originally delivered to Lessee, ordinary wear and tear excepted, and (ii) so as to keep the Equipment in such operating condition as may be necessary to enable the airworthiness certification of such Equipment to be maintained in good standing at all times under the Federal Aviation Act.

(f) Upon Lessor's request, Lessee shall execute and deliver to Lessor a fully completed and originally executed Irrevocable De-Registration and Export Request Authorization ("IDERA"), in the form acceptable to Lessor in its sole and absolute discretion, which Lessor may file with the FAA if an event of default occurs and is continuing.

(g) Lessee shall take any and all such action, and shall execute and deliver such instruments, documents and certificates, as Lessor may require in order to maintain the registration and recordation of the respective interests of Lessee and Lessor in the Equipment with the International Registry pursuant to the Cape Town Treaty and with the FAA pursuant to the Federal Aviation Act.

(h) In addition to the property insurance required by Section 10.2 of the Lease, Lessee shall secure and maintain in effect at its own expense throughout the Lease Term (a) all-risk aircraft hull and engine insurance (including, without limitation foreign object damage insurance) in an amount which is not less than the greater of the replacement cost of the Equipment and then current Option Purchase Price of the Equipment, and (b) confiscation, expropriation and war risk insurance. The property insurance shall name the Lessor as loss payee (without responsibility for premiums) and the general liability and property damage insurance shall name Lessor as additional insured (without responsibility for premiums). All such insurance shall be provided by commercial insurance carriers reasonably acceptable to Lessor. Such insurance shall be primary and not be subject to any offset by and other insurance carried by Lessor or Lessee.

IN WITNESS WHEREOF, the parties by their duly authorized officers have executed this Addendum as of the date and year first above written.

(Next page is the signature page)

LESSEE:
CITY OF PASADENA

By: _____

Name: _____

Title: _____

LESSOR:
JPMORGAN CHASE BANK, N.A.

By: _____

Name: _____

Title: _____