

Agenda Report

July 8, 2013

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Transportation

SUBJECT: RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE PURCHASE AGREEMENT FOR PARKING METER EQUIPMENT, A LEASE SCHEDULE, A LEASE SCHEDULE ADDENDUM REGARDING SELF INSURANCE, SCHEDULE A-1, A PREPAYMENT SCHEDULE ADDENDUM, A CERTIFICATE OF INCUMBENCY, A PROCEEDS DISBURSEMENT AUTHORIZATION AND RELATED INSTRUMENTS AND OTHER DOCUMENTS IN CONNECTION THEREWITH.

RECOMMENDATION:

It is recommended that the City Council adopt a resolution:

1. Authorizing a Lease Purchase Agreement for Parking Meter Equipment in an amount not to exceed \$350,707.51 with JP Morgan/Chase; and
2. Authorizing the execution and delivery of a Lease Purchase Agreement, a Lease Schedule, a Lease Schedule Addendum Regarding Self Insurance, Schedule A-1, a Prepayment Schedule Addendum, a Certificate of Incumbency, a Proceeds Disbursement Authorization, an Agency Agreement, an Arbitrage Certificate, and other documents in connection thereto; and
3. Authorizing the City Manager or the Director of Finance to execute the documents on behalf of the City; and
4. Recognizing anticipated parking meter revenues in the amount of \$91,000 and appropriating that revenue to the Civic Center Parking Meter Fund Account Number 6964-214-774311.

BACKGROUND:

Periodically, the City finances capital equipment for various municipal operations within different departments by issuing equipment financings. These financings allow the City to newly purchase or replace old, inefficient equipment that is fully depreciated with

Resolution Authorizing the Execution and Delivery of a
Lease Purchase for Parking Meter Equipment
July 8, 2013
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newer, more efficient equipment. The last equipment financing the City Council approved was on December 17, 2012, for the acquisition of dental equipment.

On September 10, 2012, City Council approved the issuance of a purchase order to Cale America, Inc. for, \$631,207.51 for the purchase of Multi-Space Parking Meters. The contract with Cale America was exempt from competitive bidding pursuant to the City Charter section 1002(H), contracts with other government entities or their contractors for labor, material, supplies or services.

This council action included appropriating \$233,750 from the Old Pasadena Parking Meter Fund and \$46,750 from the Playhouse Parking Fund as part of the \$631,207.51 purchase order. The remaining balance of the parking meter equipment is \$350,707.51 and was intended to be financed through lease purchase agreement. The annual principal payment, including interest is \$73,957.58 which will be paid from fees collected through the parking meter revenue. The department anticipates \$91,000 in additional revenue through the new multi-space parking meters system to cover this cost.

In December 2011, the Finance Department solicited various lenders for lease purchase financing, including local banks in the City of Pasadena, and obtained several bids for Master Lease Equipment financing. The lowest bid in terms of interest rate was received from JPMorgan/Chase Bank. The Department of Transportation secured current five-year financing with the bank in the amount of \$350,707.51 through an addendum to the existing Master Lease Agreement at the same fixed interest rate of 1.95 percent per annum.

Proceeds from this financing will be remitted to the City once the Department of Transportation acquires the equipment. Staff anticipates closing the recommended financing and funding the acquisition account in July 2013, after City Council's approval of the lease financing.

COUNCIL POLICY CONSIDERATION:


Leasing the parking meter equipment will prevent the Department of Transportation from paying a lump sum amount of \$350,707.51 which would negatively affect the department's fund balance. Instead, this lease agreement will enable the Department of Transportation Parking Division to collect revenues that will offset the principal and interest payments. This action supports the City Council's strategic goal to maintain fiscal responsibility and stability.

FISCAL IMPACT:

The lease/purchase financing is a Civic Center Parking Meter Fund credit financing; therefore, the Civic Center Parking Meter Fund is the obligor for the lease payment. The cost for this action is included in the Fiscal Year 2014 operating budget annual lease payment of \$73,957.58 in account 8107-214-774311.

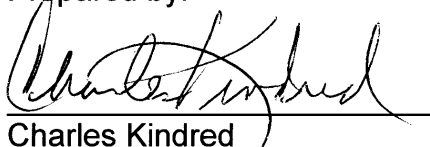
There will be no other impact to other operational programs or capital projects as a result of this action.

Respectfully submitted,




FREDERICK C. DOCK
Director of Transportation
Department of Transportation

Prepared by:



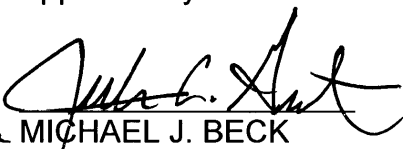
Charles Kindred
Parking Manager
Department of Transportation

Concurred by:



ANDREW GREEN
Director of Finance
Department of Finance

Approved by:



for MICHAEL J. BECK
City Manager

Attachments: (8)

- Attachment 1 – Lease Schedule
- Attachment 2 – Lease Schedule Addendum
- Attachment 3 – Schedule A-1
- Attachment 4 – Prepayment Schedule Addendum
- Attachment 5 – Certificate of Incumbency
- Attachment 6 – Proceeds Disbursement Authorization
- Attachment 7 – Master Lease-Purchase Agreement
- Attachment 8 – Master Lease-Purchase Addendum

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE PURCHASE AGREEMENT FOR PARKING METER EQUIPMENT, A LEASE SCHEDULE, A LEASE SCHEDULE ADDENDUM REGARDING SELF INSURANCE, SCHEDULE A-1, A PREPAYMENT SCHEDULE ADDENDUM, A CERTIFICATE OF INCUMBENCY, A PROCEEDS DISBURSEMENT AUTHORIZATION 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 upon its adoption and approval.

ADOPTED at a regular meeting of the City Council on this ____, day of July, 2013.

AYES:

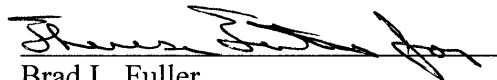
NOES:

ABSTAIN:

ABSENT:

APPROVED AS TO FORM:

ATTEST:



Brad L. Fuller
Assistant City Attorney

Mark Jomsky
City Clerk



LEASE SCHEDULE

Dated as of: JULY 15, 2013

Lease No.: 1000137749

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 and the Lease Term of this Lease Schedule are each 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



LEASE SCHEDULE ADDENDUM
(Self Insurance)

Lessee: CITY OF PASADENA

Lease Schedule No: 1000137749

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



SCHEDULE A-1
(Equipment List)

Expected Equipment Purchase Price **\$350,707.51**

Net Amount Financed **\$350,707.51**

Equipment Location: **100 North Garfield Avenue, Pasadena, CA 91109**

Equipment Description: (45) Forty-Five Compact – No Qi Meters and Mounting Hardware

S/N: 116X15498	S/N: 116X15740	S/N: 116X15779
S/N: 116X15503	S/N: 116X15741	S/N: 116X15780
S/N: 116X15506	S/N: 116X15742	S/N: 116X15782
S/N: 116X15511	S/N: 116X15743	S/N: 116X15784
S/N: 116X15512	S/N: 116X15744	S/N: 116X15787
S/N: 116X15522	S/N: 116X15745	S/N: 116X15514
S/N: 116X15723	S/N: 116X15746	S/N: 116X15516
S/N: 116X15724	S/N: 116X15747	S/N: 116X15519
S/N: 116X15725	S/N: 116X15748	S/N: 116X15521
S/N: 116X15727	S/N: 116X15749	S/N: 116X15522
S/N: 116X15728	S/N: 116X15750	S/N: 116X15543
S/N: 116X15729	S/N: 116X15751	S/N: 116X15545
S/N: 116X15730	S/N: 116X15754	S/N: 116X15548
S/N: 116X15738	S/N: 116X15755	S/N: 116X15551
S/N: 116X15739	S/N: 116X15757	S/N: 116X15552

TOGETHER WITH ALL ATTACHMENTS, ADDITIONS, ACCESSIONS, PARTS, REPAIRS, IMPROVEMENTS, REPLACEMENTS AND SUBSTITUTIONS THERETO.

This Schedule A-1 is attached to the Lease Schedule **1000137749** 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

Invoice



Company: CALE AMERICA INC.
 13808 MONROES BUSINESS PARK
 TAMPA FL 33635
 (813) 405-3900

Invoice Number: 129285
 Invoice Date: 4/30/2013

Bill To: PASA000001
 CITY OF PASADENA
 221 EAST WALNUT STREET
 SUITE 199
 PASADENA CA 91101

Ship To: PASA000001 0
 CITY OF PASADENA
 221 EAST WALNUT STREET
 SUITE 199
 PASADENA CA 91101

Fax:

Tax ID: 99-0371099

SRO	Customer PO	Ship Via	Terms	Due Date
M000010298	CITY-0000053254	LESS THAN TRUCKLOAD	NET 30 DAYS	05/30/2013

	Qty Ordered	U/M	Qty To Bill	Price	Ext Price
1	45.00	EA	45.00	7,150.00	321,750.00

Item MP104C-N

Description METER, COMPACT-NO QI

- Serial Number 116X15498
- Serial Number 116X15503
- Serial Number 116X15506
- Serial Number 116X15511
- Serial Number 116X15512
- Serial Number 116X15722
- Serial Number 116X15723
- Serial Number 116X15724
- Serial Number 116X15725
- Serial Number 116X15727
- Serial Number 116X15728
- Serial Number 116X15729
- Serial Number 116X15730
- Serial Number 116X15738
- Serial Number 116X15739
- Serial Number 116X15740
- Serial Number 116X15741
- Serial Number 116X15742
- Serial Number 116X15743
- Serial Number 116X15744
- Serial Number 116X15745
- Serial Number 116X15746
- Serial Number 116X15747
- Serial Number 116X15748
- Serial Number 116X15749
- Serial Number 116X15750
- Serial Number 116X15751

Invoice



Serial Number 116X15754
Serial Number 116X15755
Serial Number 116X15757
Serial Number 116X15779
Serial Number 116X15780
Serial Number 116X15782
Serial Number 116X15784
Serial Number 116X15787
Serial Number 116X15514
Serial Number 116X15516
Serial Number 116X15519
Serial Number 116X15521
Serial Number 116X15522
Serial Number 116X15543
Serial Number 116X15545
Serial Number 116X15549
Serial Number 116X15551
Serial Number 116X15552

	Qty Ordered	U/M	Qty To Bill	Price	Ext Price
2	1.00	EA	1.00	0.00	0.00
		Item CMI			

Description MOUNTING HARDWARE

	Qty Ordered	U/M	Qty To Bill	Price	Ext Price
3	1.00	EA	1.00	0.00	0.00
		Item CMI			

Description MOUNTING HARDWARE

WE APPRECIATE YOUR BUSINESS

Invoice Sale Amount: 321,750.00
Invoice Discount Amount: 0.00
Net Amount: 321,750.00
Misc Charges: 0.00
Freight: 0.00
Sales Tax: 28,957.51
Prepaid Amount: 0.00
Invoice Total: 350,707.51

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. **1000137749** dated **JULY 15, 2013**

Accrual Date: **JULY 15, 2013**

Amount Financed: **\$350,707.51**

Interest Rate: **1.95000 %** per annum

Rent Number	Rent Date	Rent Payment	Interest Portion	Principal Portion	Principal Balance	Termination Value
1	1/15/2014	\$36,978.79	\$3,419.40	\$33,559.39	\$317,148.12	\$326,662.56
2	7/15/2014	\$36,978.79	\$3,092.20	\$33,886.59	\$283,261.53	\$291,759.38
3	1/15/2015	\$36,978.79	\$2,761.80	\$34,216.99	\$249,044.54	\$256,515.88
4	7/15/2015	\$36,978.79	\$2,428.19	\$34,550.60	\$214,493.94	\$220,928.76
5	1/15/2016	\$36,978.79	\$2,091.32	\$34,887.47	\$179,606.47	\$184,994.66
6	7/15/2016	\$36,978.79	\$1,751.17	\$35,227.62	\$144,378.85	\$148,710.22
7	1/15/2017	\$36,978.79	\$1,407.70	\$35,571.09	\$108,807.76	\$112,071.99
8	7/15/2017	\$36,978.79	\$1,060.88	\$35,917.91	\$72,889.85	\$75,076.55
9	1/15/2018	\$36,978.79	\$710.68	\$36,268.11	\$36,621.74	\$37,720.39
10	7/15/2018	\$36,978.79	\$357.05	\$36,621.74	\$0.00	\$0.00
		\$369,787.90	\$19,080.39	\$350,707.51		

CITY OF PASADENA
(Lessee)

JPMORGAN CHASE BANK, N.A.
(Lessor)

By: _____

By: _____

Title: _____

Title: Authorized Officer



PREPAYMENT SCHEDULE ADDENDUM
(24-Month Lockout Period)

Dated: JULY 15, 2013

Lease Schedule No: 1000137749

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



CERTIFICATE OF INCUMBENCY

Dated: JULY 15, 2013

Lease Schedule No: 1000137749

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:



PROCEEDS DISBURSEMENT AUTHORIZATION

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

Date: JULY 15, 2013

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

Reference is made to that certain Master Lease Purchase Agreement dated **DECEMBER 23, 2011** and its related Lease Schedule date **JULY 15, 2013** between **CITY OF PASADENA**, ("Lessee") and **JPMORGAN CHASE BANK, N.A.** (the "Lessor")

I hereby instruct you and authorize you to disburse **\$350,707.51** to the payee as specified below:

Payee

Payee: CITY OF PASADENA

Bank: _____

ABA#: _____

Bank Account #: _____

Amount: **\$350,707.51**

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: _____



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)

By: _____

Title: DIRECTOR OF FINANCE

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)

By: [Signature]

Title: DIRECTOR OF FINANCE

JPMORGAN CHASE BANK, N.A.
(Lessor)

By: [Signature]

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: DIRECTOR OF FINANCE

JPMORGAN CHASE BANK, N.A.

(Lessor)

By: _____

Title: Authorized Officer