

## LEASE SCHEDULE

Dated as of: JANUARY 15, 2020

Lease No.: 1000145982

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 interest rate at which the interest portion of the Rental Payments is calculated, the Taxable Rate, 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).
- G. GOVERNMENT REGULATION. ANTI-CORRUPTION.**
- (a) Representations and Warranties Regarding Anti-Corruption Laws and Sanctions.** Lessee has implemented and maintains in effect policies and procedures designed to ensure compliance by Lessee and its officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and Lessee and its officers and employees and to the knowledge of Lessee its agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) Lessee or to the knowledge of Lessee any of its respective officers or employees, or (b) to the knowledge of Lessee, any agent of Lessee that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No advance, letter of credit, use of proceeds or other transaction contemplated by this Lease will violate Anti-Corruption Laws or applicable Sanctions.
- (b) Compliance with Anti-Corruption Laws and Sanctions.** Lessee shall maintain in effect and enforce policies and procedures designed to ensure compliance by Lessee and its officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.
- (c) Use of Proceeds.** Lessee shall not use, or permit any proceeds of the Lease to be used, directly or indirectly, by Lessee or its officers, employees and agents: (1) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws; (2) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country; or (3) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

(d) **Definitions.** For the purposes of this Section G, the following terms shall have the following meanings:

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to the Lessee or its subsidiaries from time to time concerning or relating to bribery or corruption. "Person" means any individual, corporation, partnership, limited liability company, joint venture, joint stock association, association, bank, business trust, trust, unincorporated organization, any foreign governmental authority, the United States of America, any state of the United States and any political subdivision of any of the foregoing or any other form of entity. "Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State. "Sanctioned Country" means, at any time, a country, region or territory which is the subject or target of any Sanctions (as at the time of this Agreement, Crimea, Cuba, Iran, North Korea, Sudan and Syria). "Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

H. **BANK QUALIFIED: LESSEE CERTIFIES** (a) THAT IT HAS DESIGNATED THIS LEASE AS A "QUALIFIED TAX-EXEMPT OBLIGATION" FOR THE PURPOSES OF AND WITHIN THE MEANING OF SECTION 265(b)(3) OF THE CODE, (b) THAT IT HAS NOT DESIGNATED MORE THAN \$10,000,000 OF ITS OBLIGATIONS AS QUALIFIED TAX-EXEMPT OBLIGATIONS IN ACCORDANCE WITH SECTION 265(b)(3) OF THE CODE FOR THE CURRENT CALENDAR YEAR AND (c) THAT IT REASONABLY ANTICIPATES THAT THE TOTAL AMOUNT OF SECTION 265 TAX-EXEMPT OBLIGATIONS TO BE ISSUED DURING THE CURRENT CALENDAR YEAR BY LESSEE, OR BY AN ENTITY CONTROLLED BY LESSEE OR BY ANOTHER ENTITY THE PROCEEDS OF WHICH ARE LOANED TO OR ALLOCATED TO LESSEE FOR PURPOSES OF SECTION 265(b) OF THE CODE WILL NOT EXCEED \$10,000,000. "Section 265 Tax-Exempt Obligations" are obligations the interest on which is excludable from gross income of the owners thereof under Section 103 of the Code, except for private activity bonds other than qualified 501(c)(3) bonds, both as defined in Section 141 of the Code.

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

**CITY OF PASADENA**

(Lessee)

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

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

**JPMORGAN CHASE BANK, N.A.**

(Lessor)

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

Title: Authorized Officer

**SCHEDULE A-1**  
(Equipment List)

<b>Expected Equipment Purchase Price</b>	<b>\$6,800,000.00</b>
<b>Net Amount Financed</b>	<b>\$6,800,000.00</b>
<b>Equipment Location:</b>	<b>100 N. GARFIELD AVE, PASADENA, CA 91109</b>
<b>Equipment Description:</b>	<b>MOTOROLA RADIO EQUIPMENT</b>

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

This Schedule A-1 is attached to the Lease Schedule **1000145982** 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.       **1000145982**  
 Lease Schedule Dated:   **January 15, 2020**  
 Accrual Date               **January 15, 2020**  
 Amount Financed         **\$6,800,000.00**  
 Interest Rate             **1.6590% per annum**  
 Taxable Rate             **2.1040% per annum**

Rent Number	Rent Date	Rent Payment	Interest Portion	Principal Portion	Principal Balance	Termination Value
1	7/15/2020	\$516,472.51	\$56,406.00	\$460,066.51	\$6,339,933.49	\$6,530,131.49
2	1/15/2021	\$516,472.51	\$52,589.75	\$463,882.76	\$5,876,050.73	\$6,052,332.25
3	7/15/2021	\$516,472.51	\$48,741.84	\$467,730.67	\$5,408,320.06	\$5,570,569.66
4	1/15/2022	\$516,472.51	\$44,862.02	\$471,610.49	\$4,936,709.57	\$5,084,810.86
5	7/15/2022	\$516,472.51	\$40,950.01	\$475,522.50	\$4,461,187.07	\$4,595,022.68
6	1/15/2023	\$516,472.51	\$37,005.55	\$479,466.96	\$3,981,720.11	\$4,101,171.71
7	7/15/2023	\$516,472.51	\$33,028.36	\$483,444.15	\$3,498,275.96	\$3,603,224.24
8	1/15/2024	\$516,472.51	\$29,018.20	\$487,454.31	\$3,010,821.65	\$3,101,146.30
9	7/15/2024	\$516,472.51	\$24,974.77	\$491,497.74	\$2,519,323.91	\$2,594,903.63
10	1/15/2025	\$516,472.51	\$20,897.79	\$495,574.72	\$2,023,749.19	\$2,084,461.67
11	7/15/2025	\$516,472.51	\$16,787.00	\$499,685.51	\$1,524,063.68	\$1,569,785.59
12	1/15/2026	\$516,472.51	\$12,642.11	\$503,830.40	\$1,020,233.28	\$1,050,840.28
13	7/15/2026	\$516,472.51	\$8,462.84	\$508,009.67	\$512,223.61	\$527,590.32
14	1/15/2027	\$516,472.51	\$4,248.90	\$512,223.61	\$0.00	\$0.00
<b>TOTALS</b>		<b>\$7,230,615.14</b>	<b>\$430,615.14</b>	<b>\$6,800,000.00</b>		

**CITY OF PASADENA**  
 (Lessee)

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

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

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

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

Title: Authorized Officer



**PREPAYMENT SCHEDULE ADDENDUM**  
(Lockout Period)

**Dated as of:**           **JANUARY 15, 2020**

**Lease Schedule No.:** **1000145982**

**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 12 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 30 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:**                    **JANUARY 15, 2020**

**Lease Schedule No: 1000145982**

**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
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Name	Title	Signature
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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: \_\_\_\_\_



**SCHEDULE ADDENDUM**

**Dated:** January 15, 20 20

**Lease Schedule No:** 1000145982

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

Reference is made to the above Lease Schedule ("Schedule") and to the Master Lease 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; and "Equipment" shall mean the equipment covered by the Schedule. This Schedule Addendum amends and modifies 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 in Section 8 of the Master Lease as it relates to the Schedule, 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 risk of casualty loss of or physical damage to the Equipment as otherwise required by the Lease if (a) an Event of Default has occurred and is continuing under the Master Lease or (b) in Lessor's reasonable opinion, a material adverse change has occurred and is continuing in the financial condition, business or operations of Lessee or any Guarantor.

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

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

**CITY OF PASADENA**  
(Lessee)

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

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

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

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

Title: Authorized Officer



**ESCROW AGREEMENT**  
(Gross Fund-Earnings to Lessee)

**Dated as of: January 15, 2020**

This Escrow Agreement together with all addenda, riders and attachments hereto, as the same may from time to time be amended, modified or supplemented ("Agreement") is made and entered as of the date set forth above by and among the Escrow Agent identified below ("Escrow Agent"), the Lessee identified below ("Lessee") and JPMorgan Chase Bank, N.A. ("Lessor"). As used herein, "Party" shall mean any of Lessee, Lessor or Escrow Agent, and "Parties" shall mean all of Lessee, Lessor and Escrow Agent. The Parties hereby authorize the Escrow Agent to act as escrow agent hereunder. All references to Escrow Agent shall mean Deutsche Bank Trust Company Americas in its capacity as escrow agent only, and all references to Lessor shall mean JPMorgan Chase Bank, N.A. in its capacity as lessor only.

**Escrow Agent:** Deutsche Bank Trust Company Americas

**Lessee:** CITY OF PASADENA

For good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

**SECTION 1. RECITALS.**

1.01 Lessor and Lessee have entered into the Lease identified below whereby Lessor has agreed to lease and sell certain property generally described in the attached Schedule A-1 (the "Equipment") to Lessee, and Lessee has agreed to lease and purchase the Equipment from Lessor, in the manner and on the terms set forth in the Lease.

1.02 "Lease" means, collectively, the Lease Schedule identified below and the Master Lease-Purchase Agreement identified in said Lease Schedule (to the extent that it relates to said Lease Schedule) together with all exhibits, schedules, addenda, riders and attachments thereto. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of, nor have any requirements to comply with, the terms and conditions of any other agreement, instrument or document between Lessee and Lessor, in connection herewith, if any, including without limitation the Lease, nor shall the Escrow Agent be required to determine if any person or entity has complied with any such agreements, nor shall any such obligations of the Escrow Agent be inferred from the terms of such agreements, even though reference thereto may be made in this Agreement. In the event of any conflict between the terms and provisions of this Agreement, those of the Lease, any schedule or exhibit attached to the Agreement, or any other agreement among the Parties, the terms and conditions of this Agreement shall control.

**Lease Schedule No. 1000145982**

1.03 **LESSOR'S DEPOSIT: \$6,800,000.00** Lessor shall pay or cause to be paid to the Escrow Agent the amount of the Lessor's Deposit. The date that the Lessor's Deposit is paid to the Escrow Agent shall be referred to as the "Lessor's Deposit Date". Escrow Agent shall credit the Lessor's Deposit to the Equipment Acquisition Fund established in Section 2 hereof on the Lessor's Deposit Date. To the extent that the purchase price of the Equipment exceeds the Lessor's Deposit, Lessee shall either notify Escrow Agent and then deposit with Escrow Agent funds which will be credited to the Equipment Acquisition Fund and used to pay the balance of the purchase price of the Equipment or Lessee shall pay such balance directly to the suppliers.

1.04 **FUNDING EXPIRATION DATE: July 15, 2021** ("Funding Expiration Date"). Lessee and Lessor agree that all Equipment should be delivered and installed, and all funds disbursed from the Equipment Acquisition Fund, no later than the above Funding Expiration Date.

1.05 Under the Lease, Lessee will cause each item of Equipment to be ordered from the applicable suppliers. Lessee shall furnish to Lessor as soon as available, a copy of the purchase orders or purchase contracts for all Equipment ordered pursuant to the Lease, showing the supplier, the purchase price and the estimated delivery dates.

1.06 Subject to such control by Lessee and Lessor as is provided herein, Lessor and Lessee agree to appoint the Escrow Agent and the Escrow Agent accepts such appointment to receive, hold, invest and disburse the moneys deposited with the Escrow Agent as described in this Agreement. The Escrow Agent shall not be obligated to assume or perform any obligation of Lessee or Lessor under the Lease or of any supplier with respect to any Equipment by reason of anything contained in this Agreement. Escrow

Agent shall have only those duties as are specifically and expressly provided herein, which shall be deemed purely ministerial in nature, and no other duties shall be implied. Any funds in the Equipment Acquisition Fund not needed to pay the purchase price of Equipment will be paid to Lessor or Lessee, all as hereinafter provided.

1.07 This Agreement is not intended to alter or change in any way the rights and obligations of Lessor and Lessee under the Lease, but is entirely supplemental thereto. The provisions of this Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by all Parties.

1.08 Each of the Parties hereto has authority to enter into this Agreement, and has taken all actions necessary to authorize the execution of this Agreement by the officers whose signatures are affixed hereto. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby irrevocably waived by the Parties hereto to the fullest extent permitted by law, to the end that this Agreement shall be enforced as written.

## SECTION 2. EQUIPMENT ACQUISITION FUND.

2.01 The Escrow Agent's sole responsibility prior to the Lessor's Deposit Date shall be to establish an escrow account designated as the Equipment Acquisition Fund (the "Equipment Acquisition Fund"). Escrow Agent shall keep such funds deposited into the escrow account separate and apart from all other funds and money held by it, and shall administer such funds as provided in this Agreement. Escrow Agent's rights and responsibilities under this Agreement, other than establishment of the Equipment Acquisition Fund, shall begin on the Lessor's Deposit Date, which may be on or after the date of this Agreement.

2.02 The Lessor's Deposit and any funds deposited by Lessee under Section 1.03 hereof shall be credited to the Equipment Acquisition Fund on the Lessor's Deposit Date and shall be used to pay the balance of the purchase price of each item of Equipment subject to the Lease. The Escrow Agent shall pay to the suppliers of the Equipment the payment amounts then due and payable with respect thereto upon receipt of a written request executed by an Authorized Representative (as defined in Section 7) of the Lessor, delivered to the Escrow Agent in accordance with Section 9.02, and after the Escrow Agent has satisfied any applicable security procedures as required by Section 7. The written request will specify the supplier/beneficiary, its address or wire instructions and the applicable portion of the Equipment Acquisition Fund to be paid (the "Receipt Certificate/Payment Request"). As between Lessee and Lessor only, Lessee agrees that it will submit to Lessor for Lessor's signature a Receipt Certificate/Payment Request that has been executed by Lessee together with (a) the suppliers' invoices specifying the applicable portion of the purchase price of the items of Equipment described in said Receipt Certificate, (b) if the item of Equipment is a titled vehicle, a copy of the Manufacturer's Statement of Origin (MSO) covering such item showing Lessor as first and sole lienholder, and (c) any other documents required by the Lease, and Lessee agrees that Lessor shall not be obligated to execute any such Receipt Certificate until all of the foregoing have been submitted to Lessor.

2.03 If an Authorized Representative of the Lessor delivers to the Escrow Agent written notice of the occurrence of an event of default under the Lease or of a termination of the Lease due to a non-appropriation event or non-renewal event under the Lease, then the Escrow Agent shall immediately remit to Lessor the remaining balance of the Equipment Acquisition Fund. After its receipt of a notice of an event of default under the Lease, the Escrow Agent shall comply with all written instructions from an Authorized Representative of Lessor without further consent from Lessee or any other person. After its receipt of a notice of an event of default under the Lease, the Escrow Agent shall not accept or act upon any instruction from Lessee nor shall it permit any distribution or release of any part of the Equipment Acquisition Fund without written authorization from an Authorized Representative of the Lessor.

2.04 Upon the Escrow Agent's receipt of a Full Funding Notice (as defined below), the Escrow Agent shall apply the balance remaining in the Equipment Acquisition Fund:

first, to all reasonable fees and expenses incurred by the Escrow Agent in connection herewith as evidenced by its statement forwarded to Lessee and Lessor; and

second, to Lessor to be applied by Lessor for benefit of Lessee either: (a) toward the principal and interest portion of the Rent Payment next coming due under the Lease; or (b) to reimburse the Lessee for the interest portion of their Rental Payments previously made within the past 18 months; or (c) 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.

"Full Funding Notice" means written notification by an Authorized Representative of the Lessor to the Escrow Agent of the Lessor's receipt of the Final Receipt Certificate/Payment Request which confirms that all Equipment covered by the Lease has been delivered to and accepted by Lessee under the Lease and that the full amount of the Lessor's Deposit has been paid to the applicable suppliers.

2.05 Upon the Funding Expiration Date stated in Section 1.04 above, the Escrow Agent shall apply the remaining balance in the Equipment Acquisition Fund:



first, to all reasonable fees and expenses incurred by the Escrow Agent in connection herewith as evidenced by its statement forwarded to Lessee and Lessor; and

second, to Lessor to be applied by Lessor for benefit of Lessee either: (a) toward the principal portion of the Rent Payment next coming due under the Lease; or (b) to reimburse the Lessee for the interest portion of their Rental Payments previously made within the past 18 months; or (c) 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.

Upon the Funding Expiration Date stated in Section 1.04 above, the Escrow Agent shall apply the interest earnings on the Equipment Acquisition Fund as set forth in Section 2.04 above.

2.06 The Escrow Agent shall not be responsible for the sufficiency of the moneys credited to the Equipment Acquisition Fund to make the payments herein required.

2.07 This Agreement shall terminate upon disbursement by the Escrow Agent of all money held by it hereunder, subject to the provisions of Section 4.

### **SECTION 3. MONEY IN EQUIPMENT ACQUISITIONS FUND; INVESTMENT.**

3.01 The money and investments held by the Escrow Agent under this Agreement are irrevocably held in escrow for the benefit of Lessee and Lessor, and such money, together with any income or interest earned thereon, shall be expended only as provided in this Agreement, and shall not be subject to any security interest or lien, by or for the benefit of any creditor of either Lessee or Lessor; provided, that the money and investments held by the Escrow Agent under this Agreement shall be subject to the security interests provided in Sections 3.07 and 4.03 hereof and further shall be subject to Section 12.04.

3.02 Money held by the Escrow Agent hereunder shall be invested and reinvested by the Escrow Agent at the written direction executed by an Authorized Representative of Lessee in Qualified Investments (as defined below). Such investments shall be registered in the name of the Escrow Agent and held by the Escrow Agent. The Escrow Agent may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section. Such investments and reinvestments shall be made giving consideration for the time at which funds are required to be available. No investment instruction shall be given that would cause the Agreement to be deemed an "arbitrage bond" within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended.

3.03 The Escrow Agent shall have no discretion whatsoever with respect to the management, disposition or investment of the Equipment Acquisition Fund. Lessee acknowledges and agrees that all investments made pursuant to this section shall be for the account and risk of Lessee and any losses associated with investments shall be borne solely by Lessee. Escrow Agent shall from time to time invest and reinvest the funds held in the Equipment Acquisition Fund account, as and when instructed by an Authorized Representative of Lessee, in writing, in any one or more of the following (hereinafter, "Qualified Investments"): (a) obligations of the United States of America or any agency created thereby; (b) general obligations of any State of the United States of America; (c) general obligations of any political subdivision of a State of the United States of America, if such obligations are rated by at least two recognized rating services as at least AA; (d) certificates of deposit of any national bank or banks (including, if applicable, Escrow Agent or an affiliate of Escrow Agent) insured by the Federal Deposit Insurance Corporation (FDIC) with a net worth in excess of \$100,000,000.00 ("Acceptable Bank"); (e) obligations of State or Municipal Public Housing Authorities chartered by the United States of America and guaranteed by the United States of America; (f) demand interest bearing accounts of Escrow Agent or an affiliate of Escrow Agent if Escrow Agent or an affiliate of Escrow Agent is an Acceptable Bank; (g) money market funds whose assets are solely invested in obligations listed in (a) through (f) above, including repurchase agreements secured by such obligations and which money market funds are rated in either of the two highest categories of any Rating Agency at the time of purchase, including, without limitation, the Deutsche Bank Trust Company Americas Funds, or any other mutual fund for which the Escrow Agent or an affiliate of the Escrow Agent serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (1) the Escrow Agent or an affiliate of the Escrow Agent receives fees from such funds for services rendered, (2) the Escrow Agent charges and collects fees for services rendered pursuant to this Agreement, which fees are, separate from the fees received from such funds and (3) services performed for such funds and pursuant to this Agreement may at times duplicate those provided to such funds by the Escrow Agent or its affiliates; and (h) any other obligations approved in writing by Lessor. Unless otherwise directed in writing by an Authorized Representative of the Lessee, the Escrow Agent shall invest the Equipment Acquisition Fund, including all income earnings, as selected by the Lessee on schedule 1 hereto ("Schedule 1") upon the execution of this Agreement. In the event that no election is made by an Authorized Representative of Lessee by the Lessor's Deposit Date, Escrow Agent shall invest the Equipment Acquisition Fund in an investment available through the Escrow Agent's Trust Platform or in an interest bearing account that the Escrow Agent has agreed to and upon written direction to the Escrow Agent.



3.04 If any of the above-described Qualified Investments are not legal investments of Lessee, then an Authorized Representative of the Lessee shall immediately notify Escrow Agent which of said Qualified Investments are not legal investments of Lessee, and shall provide Escrow Agent with direction to invest funds in accordance with Section 3.03. It is the sole responsibility of the Lessee to ascertain that all investments comply with all applicable federal, state, and local laws, statutes, and policies.

3.05 The Escrow Agent shall, without further direction, sell such investments as and when required to make any payment from the Equipment Acquisition Fund. Any income received on such investments shall be credited to the Equipment Acquisition Fund.

3.06 The Escrow Agent shall furnish a monthly statement listing all investments to Lessor and to Lessee. The Escrow Agent shall not be responsible or liable for any loss suffered in connection with any investments of moneys made by it in accordance with this Section. Market values, exchange rates and other valuation information (including without limitation, market value, current value or notional value) of any Qualified Investment furnished in any report or statement may be obtained from third party sources and is furnished for the exclusive use of the Parties. The Escrow Agent has no responsibility whatsoever to determine the market or other value of any Qualified Investment and makes no representation or warranty, express or implied, as to the accuracy of any such valuations or that any values necessarily reflect the proceeds that may be received on the sale of a Qualified Investment.

3.07 Lessee hereby grants Lessor a security interest in the money and investments held by the Escrow Agent under this Agreement as collateral security for the payment and performance of all of Lessee's obligations under the Lease, this Agreement and any agreement, contract or instrument related to the Lease or this Agreement. Lessee represents and warrants to Lessor that the money and investments held by the Escrow Agent under this Agreement are free and clear of any liens, security interests or encumbrances other than the security interests created under this Agreement. Escrow Agent hereby acknowledges that it holds the money and investments held by the Escrow Agent under this Agreement subject to such security interest created by Lessee as bailee for Lessor; provided, that Escrow Agent's security interest in such money and investments as created under Section 4.03 hereof shall be superior to Lessor's security interest therein. It is understood that Escrow Agent has no responsibility with respect to the validity or perfection of the security interest other than to act in accordance with the terms of this Agreement.

#### **SECTION 4. ESCROW AGENT'S AUTHORITY; INDEMNIFICATION.**

4.01 The Escrow Agent may: act in reliance upon any writing, notice, certificate, instruction, instrument or signature which it, in good faith, believes to be genuine and to have been signed by an Authorized Representative of the applicable Party or Parties; assume the validity and accuracy of any statement or assertion contained in such a writing, notice, certificate, instruction or instrument; and assume that any person purporting to give any such writing, notice, certificate, instruction or instrument in connection with the provisions hereof has been duly authorized to do so. Except as expressly provided otherwise in this Agreement, the Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form of, the manner of execution of, or the validity, accuracy or authenticity of any writing, notice, certificate, instruction or instrument deposited with it, nor as to the identity, authority or right of any person executing the same. The Escrow Agent shall not be liable for any action taken, suffered or omitted to be taken by it except to the extent that a final adjudication of a court of competent jurisdiction determines that the Escrow Agent's gross negligence or willful misconduct was the primary cause of any loss to either Party. The Escrow Agent's duties hereunder (including, without limitation, its duties as to the safekeeping, investment and disbursement of moneys in the Equipment Acquisition Fund) shall be limited to those specifically provided herein.

4.02 Lessee and Lessor jointly and severally shall indemnify, defend and save harmless the Escrow Agent from any and all claims, liabilities, losses, damages, fines, penalties and expenses (including out-of-pocket and incidental expenses and fees and expenses of in-house or outside counsel) ("Losses") arising out of or in connection with (i) its execution and performance of this Agreement, except to the extent and that such Losses are determined by a court of competent jurisdiction through a final order to have been caused by the gross negligence or willful misconduct of the Escrow Agent, or (ii) its following any instructions or other directions from Lessee or the Lessor, except to the extent that its following any such instruction or direction is expressly forbidden by the terms hereof. The provisions of this Section 4.02 shall survive the termination of this Agreement and the resignation or removal of the Escrow Agent for any reason. The indemnifications set forth herein are intended to and shall include the indemnification of all affected agents, directors, officers and employees of the Escrow Agent. In no event shall the Escrow Agent be liable for special, incidental, punitive, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

4.03 Lessee and Lessor hereby grant Escrow Agent a first priority security interest in the money and investments held by the Escrow Agent under this Agreement as collateral security for the costs and expenses of the foregoing of Section 4.02 and for any other expenses, costs, fees or charges of any character or nature which may be incurred by the Escrow Agent (including reasonable attorneys' fees and court costs) relating to any suit (interpleader or otherwise) or other dispute arising between Lessee and Lessor as to the correct interpretation of the Lease, this Agreement or any instructions given to the Escrow Agent hereunder, with the right of the Escrow Agent, regardless of the instructions aforesaid, to hold the said property until and unless said expenses, costs, fees and charges shall be fully paid.



4.04 Except as otherwise provided in accordance with Section 2.03 above, if Lessee or Lessor disagree about the interpretation of the Lease or this Agreement, about their rights and obligations under the Lease or this Agreement, or about the propriety of any action contemplated by the Escrow Agent hereunder, then the Escrow Agent may, but shall not be required to, file an appropriate civil action to resolve the disagreement. Lessee and Lessor shall pay all costs, including reasonable attorneys' fees, in connection with such action. Unless the Escrow Agent has received a notice of an event of default under the Lease in accordance with Section 2.03 above, if Escrow Agent receives conflicting instructions from the Parties, the Escrow Agent shall be entitled and fully protected in (a) suspending all or any part of its activities under this Agreement until it shall be given a joint written direction executed by Authorized Representatives of the Parties which eliminates such conflict or by a final court order or (b) file an action in interpleader. Lessor and Lessee agree to pursue any redress or recourse in connection with any dispute without making the Escrow Agent a party to the same.

4.05 Escrow Agent may execute any of its powers and perform any of its duties hereunder directly or through affiliates or agents.

4.06 The Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection with the opinion of such counsel. The Escrow Agent shall otherwise not be liable for any mistakes of facts or errors of judgment, or for any acts or omissions of any kind unless caused by the Escrow Agent's gross negligence or willful misconduct. None of the provisions contained in this Agreement shall require the Escrow Agent to use or advance its own funds in the performance of any of its duties or the exercise of any of its rights or powers hereunder.

#### **SECTION 5. CHANGE OF ESCROW AGENT.**

5.01 Upon agreement of the parties hereto, a national banking association or a state bank having capital (exclusive of borrowed capital) and surplus of at least \$10,000,000.00, qualified as a depository of public funds, may be substituted to act as Escrow Agent under this Agreement. Such substitution shall not be deemed to affect the rights or obligations of the parties hereto. Upon any such substitution, the Escrow Agent agrees to assign to such substitute Escrow Agent all of its rights under this Agreement.

5.02 The Escrow Agent may resign and be discharged from its duties hereunder at any time by giving thirty (30) calendar days' prior written notice of such resignation to the Lessee and Lessor. The Lessee and Lessor may remove the Escrow Agent at any time by giving thirty (30) calendar days' prior written notice to the Escrow Agent. Upon such notice, a successor escrow agent shall be appointed by the Lessor and Lessee, who shall provide written notice of such to the resigning Escrow Agent. Such successor escrow agent shall become the escrow agent hereunder upon the resignation or removal date specified in such notice. If the Lessor and Lessee are unable to agree upon a successor escrow agent within thirty (30) days after such notice, the Escrow Agent may, in its sole discretion, deliver the Equipment Acquisition Fund to the Lessor at the address provided herein or may apply to a court of competent jurisdiction for the appointment of a successor escrow agent or for other appropriate relief. The costs and expenses (including its attorneys' fees and expenses) incurred by the Escrow Agent in connection with such proceeding shall be paid by the Lessee and Lessor. Upon receipt of the identity of the successor escrow agent, the Escrow Agent shall either deliver the Escrow Property then held hereunder to the successor Escrow Agent, less the Escrow Agent's fees, costs and expenses or other obligations owed to the Escrow Agent to be paid from any interest earned in respect of the Escrow Property, or hold any interest earned in respect of the Escrow Property (or any portion thereof), pending distribution, until all such fees, costs and expenses or other obligations are paid. Upon its resignation and delivery of the Escrow Property as set forth in this Section, the Escrow Agent shall be discharged of and from any and all further obligations arising in connection with the Escrow Property or this Agreement.

5.03 The Escrow Agent may appoint an agent to exercise any of the powers, rights or remedies granted to the Escrow Agent under this Agreement, to hold title to property or to take any other action which may be desirable or necessary hereunder.

5.04 Any corporation, association or other entity into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or otherwise transfer all or substantially all of its corporate trust assets and business to any corporation, association or other entity resulting from any such conversion, sale, merger consolidation or other transfer to which it is a party, ipso facto, shall be and become successor escrow agent hereunder, vested with all other matters as was its predecessor, without the execution or filing of any instrument or any further act on the part of the parties hereto, notwithstanding anything herein to the contrary.

#### **SECTION 6. ADMINISTRATIVE PROVISIONS.**

6.01 The Escrow Agent shall keep complete and accurate records of all money received and disbursed under this Agreement, which shall be available for inspection by Lessee or Lessor, or the agent of either of them, at any time during regular business hours.



6.02 This Agreement shall be construed and governed in accordance with the laws of the State where Lessee is located. Each Party irrevocably waives any objection on the grounds of venue, forum non-conveniens or any similar grounds and irrevocably consents to service of process by mail or in any other manner permitted by applicable law and consents to the jurisdiction of the courts located in the State where the Lessee is located. To the extent that in any jurisdiction either Party may now or hereafter be entitled to claim for itself or its assets, immunity from suit, execution, attachment (before or after judgment) or other legal process, such Party shall not claim, and hereby irrevocably waives, such immunity.

6.03 The Parties represent, warrant and covenant that each document, notice, instruction or request provided by such Party to Escrow Agent shall comply with applicable laws and regulations. Any provision of this Agreement found to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Agreement.

6.04 This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. Any entity into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any entity to which all or substantially all the escrow business may be transferred, shall be the Escrow Agent under this Agreement without further act. Specifically, the term "Lessor" as used herein means any person or entity to whom Lessor has assigned its right to receive Rent Payments under the Lease and any other payments due to Lessor hereunder from and after the date when a written notice of such assignment is filed with the Escrow Agent. Neither this Agreement nor any right or interest hereunder may be assigned by any Party without the prior consent of Escrow Agent and the other Party; unless the assignment is to JPMorgan Chase & Co., then consent will not be required.

6.05 This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Agreement. Except as expressly provided in Section 4 above, nothing in this Agreement, whether express or implied, shall be construed to give to any person or entity other than Escrow Agent and the Parties any legal or equitable right, remedy, interest or claim under or in respect of the Equipment Acquisition Fund or this Agreement.

6.06 All signatures of the Parties to this Agreement may be transmitted by a Portable Document Format ("PDF"), and PDF will, for all purposes, be deemed to be the original signature of such Party whose signature it reproduces, and will be binding upon such Party.

#### **SECTION 7. SECURITY PROCEDURES.**

In the event funds transfer instructions are given (whether in writing or by PDF), executed by the appropriate Party or Parties as evidenced by the signatures of the person or persons signing this Agreement or one of their designated persons as set forth in Schedule 2 (each an "Authorized Representative"), and delivered to the Escrow Agent in accordance with Section 9.02, the undersigned is authorized to certify that the signatories on Schedule 2 are specimen signatures of each of their respective Authorized Representatives. The Escrow Agent and the beneficiary's bank in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by the Lessee or Lessor to identify (i) the beneficiary, (ii) the beneficiary's bank, or (iii) an intermediary bank. The Escrow Agent may apply any of the escrowed funds for any payment order it executes using any such identifying number, even where its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank designated. The Lessor and Lessee acknowledge that these security procedures are commercially reasonable.

#### **SECTION 8. ESCROW AGENT FEES.**

**\$1,500** ("Administration Fee"). As compensation for Escrow Agent's services hereunder, Lessee agrees to pay Escrow Agent the above Administration Fee. If the Administration Fee is payable by Lessee, then Lessee authorizes Escrow Agent either to deduct said Administration Fee from the interest and earnings otherwise payable to Lessee under this Agreement or to bill and collect said Administration Fee at any time. In addition, Lessee agrees to reimburse Escrow Agent for its reasonable out-of-pocket costs and expenses and any extraordinary fees and expenses for performing its obligations hereunder (including, but not limited to, attorney's fees and expenses) and to pay all other amounts expressly due and payable to Escrow Agent hereunder. The Escrow Agent may impose, charge, pass-through and modify fees and/or charges for any account established and services provided by the Escrow Agent, including but not limited to, transactions, maintenance, balance-deficiency, and service fees, agency or trade execution fees, and other charges, including those levied by any governmental authority.

#### **SECTION 9. NOTICES.**

9.01 Notwithstanding anything to the contrary as set forth Section 9.02, any notices and demands under or related to this document shall be in writing and delivered to the intended Party at its address stated herein. Notice shall be deemed sufficiently given or made (a) upon receipt if delivered by hand, (b) on the Delivery Day after the day of deposit with a nationally recognized courier service, (c) on the third Delivery Day after the day of deposit in the United States mail, sent certified, postage prepaid with return receipt requested, (d) only if to Lessee, on the third Delivery Day after the notice is deposited in the United States mail, postage prepaid, and (e) upon receipt if delivered by confirmed facsimile. "Delivery Day" means a day other than a Saturday, a Sunday, or any

other day on which national banking associations are authorized to be closed. Any Party may change its address for the purposes of the receipt of notices and demands by giving notice of such change in the manner provided in this provision.

9.02 Any instructions setting forth, claiming, containing, objecting to, or in any way related to the transfer or distribution of funds, including but not limited to any such funds transfer instructions that may otherwise be set forth in a written instruction permitted pursuant to Section 2 of this Agreement, shall be given to the Escrow Agent in writing, be executed by an Authorized Representative and sent as a PDF attached to an email only. No instruction for or related to the transfer or distribution of the Equipment Acquisition Fund shall be deemed delivered and effective unless Escrow Agent actually shall have received it on a Delivery Day as a PDF attached to an email only at the email address set forth in this Section 9.02 and as evidenced by a confirmed transmittal to the Party's or Parties email address and Escrow Agent has been able to satisfy any applicable security procedures as may be required hereunder. The Escrow Agent shall not be liable to any Party or other person for refraining from acting upon any instruction for or related to the transfer or distribution of the Equipment Acquisition Fund if delivered to any other fax number or email address, including but not limited to a valid email address of any employee of the Escrow Agent. The Lessor and Lessee acknowledge that there are certain security, corruption, transmission error and access availability risks associated with using open networks such as the internet and the Parties hereby expressly assume such risks.

Notices shall be addressed as follows:

- (i) If to the Lessee:  
CITY OF PASADENA  
100 N GARFIELD AVENUE RM S348  
ATTN VIC ERGANIAN  
PASADENA, CA 91109  
Attn; VIC ERGANIAN  
Telephone: (626) 744-4422  
Email: verganian@cityofpasadena.net
- (ii) If to the Lessor:  
JPMORGAN CHASE BANK, N.A.  
1111 POLARIS PARKWAY, SUITE 4N  
MAIL CODE OH1-1085  
COLUMBUS, OHIO 43240  
Attention: GHHN Operations Manager  
Email: [cefi\\_escrow\\_disbursement.request@jpmchase.com](mailto:cefi_escrow_disbursement.request@jpmchase.com)
- (iii) If to the Escrow Agent:  
DEUTSCHE BANK TRUST COMPANY AMERICAS  
60 WALL STREET, 16<sup>th</sup> Floor  
NEW YORK, NY 10005  
Attn: DBNY MP Escrow  
Telephone: 212-250-6647  
Email: [dbny-mpescrow@list.db.com](mailto:dbny-mpescrow@list.db.com)

#### **SECTION 10. FORCE MAJEURE.**

Notwithstanding any other provision of this Agreement, no Party to this Agreement is liable to any other Party for losses due to, or if it is unable to perform its obligations under the terms of this Agreement because of acts of God, war, terrorism, fire, floods, strikes, electrical outages, equipment or transmission failures, or other causes reasonably beyond its control.

#### **SECTION 11. JURY WAIVER.**

ALL PARTIES TO THIS AGREEMENT WAIVE ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTER CLAIM BROUGHT BY ANY PARTY AGAINST ANOTHER PARTY ON ANY MATTER WHATSOEVER ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY RELATED TO THIS AGREEMENT.

#### **SECTION 12. MISCELLANEOUS.**

12.01 **Patriot Act Section 326 Customer Identification Program.** In order to comply with the laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including, without limitation, those relating to the funding of terrorist activities and money laundering, including Section 326 of the USA PATRIOT Act of the United States ("Applicable Law"), the Escrow Agent are required to obtain, verify, record and update certain information relating to individuals and



entities which maintain a business relationship with the Escrow Agent. Accordingly, each of the parties agree to provide to the Escrow Agent, upon their request from time to time such identifying information and documentation as may be available for such party in order to enable the Escrow Agent to comply with Applicable Law.

12.02 **Taxpayer Identification Numbers ("TINs").** The other Parties have provided the Escrow Agent with their respective fully executed Internal Revenue Service ("IRS") Form W-8, or W-9 and/or other required documentation. The other Parties each represent that its correct TIN assigned by the IRS, or any other taxing authority, is set forth in the delivered forms.

12.03 **Tax Reporting.** All interest or other income earned under the Agreement shall be allocated to the Lessee and reported by the Escrow Agent to the IRS, or any other taxing authority, on IRS Form 1099 or 1042S (or other appropriate form) as income earned from the Equipment Acquisition Fund by the Lessee whether or not said income has been distributed during such year. The Lessor and Lessee hereby represent to the Escrow Agent that no other tax reporting of any kind is required given the underlying transaction giving rise to this Agreement. Escrow Agent shall withhold any taxes it deems appropriate, including but not limited to required withholding, in the absence of proper tax documentation or as required by law, and shall remit such taxes to the appropriate authorities.

12.04 **Court Orders.** In the event that any of the Equipment Acquisition Fund shall be attached, garnished, levied upon, or otherwise be subject to any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, the Escrow Agent is hereby expressly authorized, in its sole discretion, to obey and comply with all such orders so entered or issued, which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction, and in the event that the Escrow Agent obeys or complies with any such order it shall not be liable to any of the Parties hereto or to any other person by reason of such compliance notwithstanding such order be subsequently reversed, modified, annulled, set aside or vacated.

[The next page is the signature page.]



IN WITNESS WHEREOF, the parties have executed this Agreement.

**CITY OF PASADENA**  
(Lessee)

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

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

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

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

Title: Authorized Officer

**DEUTSCHE BANK TRUST COMPANY AMERICAS**, as  
escrow agent  
(Escrow Agent)

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

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

**DEUTSCHE BANK TRUST COMPANY AMERICAS**, as  
escrow agent  
(Escrow Agent)

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

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

**Attachments:**    Schedule 1 (Investment Authorization)

Schedule 2 (Name/telephone # of call-back person(s) designated by Section 7 above)

Schedule 1

Investment Authorization

Lessee: CITY OF PASADENA

Lease No.: 1000145982

Investment: SELECT QUALIFIED INVESTMENT BELOW

During the term of this Agreement, the Equipment Acquisition Fund shall remain in a Non-Interest Bearing Account.

A money market mutual fund, including without limitation a JPMorgan Money Market Mutual Fund (collectively, "MMMF"), as selected by Lessee below.

Check One (if the money market mutual fund option is selected above):

- JPMorgan 100% U.S. Treasury Securities Money Market Fund (675)
- JPMorgan U.S. Government Money Market Fund Morgan Shares (3916)
- JPMorgan U.S. Treasury Plus Money Market Fund Morgan Shares (3919)
- JPMorgan Federal Money Market Fund Morgan Shares (353)
- JPMorgan 100% U.S. Treasury Money Market Fund Morgan Shares (677)
- JPMorgan Tax Free Money Market Fund Morgan Shares (2)
- Federated U.S. Treasury Cash Reserves Money Market Fund Institutional Service Shares (632)
- Federated Government Obligations Tax-Managed Money Market Fund Institutional Service Shares (637)
- Federated Treasury Obligations Money Market Fund Institutional Service Shares (398)
- Federated Government Obligations Money Market Fund Institutional Service Shares (395)

Notes related to MMMFs:

- 1) An investment in any of the above investment options is subject to the availability of such money market mutual fund. If the selected investment is not available at the present time you will be contacted by a Deutsche Bank Trust Company Americas representative.
- 2) Each investment instrument above has a rating not lower than the highest rating category from both Standard & Poor's and Moody's.
- 3) Lessee acknowledges that an affiliate of Escrow Agent, Deutsche Bank Trust Company Americas, serves as investment manager for the selected MMMF and receives fees from the invested funds for services rendered separate from the fees for services rendered by Escrow Agent as further provided within this Agreement. MMMFs have rates of compensation that may vary from time to time based upon market conditions. The Escrow Agent shall not be responsible or liable for any loss suffered in connection with any investments of moneys made by it in accordance with Section 3 of the Agreement.
- 4) The Lessee, hereby acknowledges and confirms that it makes its own investment decisions and has not been offered any advice or recommendation on investing in any MMMF and if selected above, is based upon Lessee's independent review of prospectuses previously delivered to Lessee. The Lessee recognizes and agrees that the Escrow Agent has not and will not provide supervision, recommendations or advice relating to either the investment of moneys held in the Equipment Acquisition Fund account or the purchase, sale, retention or other disposition of any Qualified Investment.
- 5) Market values, exchange rates and other valuation information (including without limitation, market value, current value or notional value) of any MMMF furnished in any report or statement may be obtained from third party sources and is furnished for the exclusive use of the Lessee and Lessor. Escrow Agent has no responsibility whatsoever to determine the market or other value of any MMMF or other non-cash Qualified Investments and makes no representation or warranty, express or implied, as to the accuracy of any such valuations or that any values necessarily reflect the proceeds that may be received on the sale of an MMMF or such Qualified Investments.
- 6) SHAREHOLDER SERVICES FEES: Lessee acknowledges that the Fund is authorized to make payments from its management fee or any other source available to parties such as banks or broker-dealers ("Service Organizations") that

provide shareholder support services to the Fund and that Service Organizations currently are compensated at a rate of up to the Maximum Rate of .50% annually of the average net assets of each Fund with respect to which they provide or have provided shareholder support services. Lessee further acknowledges that Deutsche Bank Trust Company Americas is a Service Organization and is paid, and hereby consents to such payment, by the Fund up to the Maximum Rate annually of the average daily balance of the Account invested in the Fund for shareholder support services rendered to the Fund by Deutsche Bank Trust Company Americas, which services may include, without limitation, answering client's inquiries regarding the Fund, assistance to clients in changing dividend options, account designations and addresses, processing purchase and redemption transactions, providing periodic statements showing a client's account balance and the integration of such statement with other transactions, arranging for Deutsche Bank Trust Company Americas wires, and providing such other information and services as the Fund's distributor or Lessee reasonably may request. Lessee further acknowledges that the Fund may purchase securities from or through Deutsche Bank Trust Company Americas or its affiliates, may engage in repurchase transactions with Deutsche Bank Trust Company Americas or its affiliates, may place funds on deposit in accounts with Deutsche Bank Trust Company Americas or its affiliates and receive interest income thereon and may obtain other services from Deutsche Bank Trust Company Americas for which Deutsche Bank Trust Company Americas is paid a fee.

This investment authorization and direction will remain in effect until and unless expressly revoked or superseded in writing and shall specify the type and identity of the investments to be purchased and/or sold.

**SCHEDULE 2**

**Telephone Number(s) and Signature(s) for Person(s) Designated to Give Funds Transfer Instructions**

If from Lessee:

	<u>Name</u>	<u>Telephone Number</u>	<u>Signature</u>
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

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If from Lessor:

	<u>Name</u>	<u>Telephone Number</u>	<u>Signature</u>
1.	Stacey R. Roth	614-213-1537	(Standing Signature on File)
2.	Karen L Williams	312-385-7005	(Standing Signature on File)
3.	Anastasia L. McClellan	614-213-4876	(Standing Signature on File)
4.	Terri E. Sayers	614-213-4521	(Standing Signature on File)
5.	Cherie L. Oliveto	614-213-3246	(Standing Signature on File)
6.	Mary T. Short	614-213-4881	(Standing Signature on File)
7.	Kris Hewitt	614-213-8581	(Standing Signature on File)
8.	Latrice M. McDonald	614-213-4458	(Standing Signature on File)
9.	Kelsey A. Bruck	614-213-9516	(Standing Signature on File)
10.	Meron Gola	614-217-4670	(Standing Signature on File)
11.	Teri L. Fancelli	614-213-2270	(Standing Signature on File)
12.	Ruhe, Nathaniel J.	614-213-3859	(Standing Signature on File)
13.	Mullennix, Debbie J.	614-213-5797	(Standing Signature on File)

All instructions, including but not limited to funds transfer instructions, whether transmitted by facsimile or set forth in a PDF attached to an email, must include the signature of the Authorized Representative authorizing said funds transfer on behalf of the Party.



**SCHEDULE A-1**  
**(Equipment List)**

**Expected Equipment Purchase Price: \$6,800,000.00**

**Net Amount Financed: \$6,800,000.00**

**Equipment Location:**

**100 N GARFIELD AVENUE RM S348, PASADENA, CA 91109**

**Equipment Description:**

**MOTOROLA RADIO EQUIPMENT**

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

**This Schedule A-1 is attached to the Lease Schedule 1000145982 or a Receipt Certificate/Payment Request relating to the Lease Schedule.**

ESCROW RECEIPT CERTIFICATE/PAYMENT REQUEST

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

Lease Schedule No: 1000145982 dated JANUARY 15, 2020

Escrow Agreement Dated: JANUARY 15, 2020

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

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

Equipment Location: See Attached Schedule A-1

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

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

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

**Payee #1:**

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

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

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

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

**WIRE INSTRUCTIONS:**

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

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

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

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

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**Payee #2:**

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

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

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

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

**WIRE INSTRUCTIONS:**

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

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

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

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

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**Payee #3:**

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

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

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

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

**WIRE INSTRUCTIONS:**

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

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

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

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

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



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

**CITY OF PASADENA**  
(Lessee)

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

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

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

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

Title: Authorized Officer

Contact #1:

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

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

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

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

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

Contact #2:

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

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

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

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

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

**SCHEDULE A-1**

**Equipment Description**

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

**Lease Schedule No: 1000145982 dated JANUARY 15, 2020**

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

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

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

**ESCROW FUNDING SCHEDULE ADDENDUM  
AND ARBITRAGE CERTIFICATE**

**Dated as of:**           **JANUARY 15, 2020**

**Lease Schedule No.:** 1000145982

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

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

**Escrow Agreement dated as of:**       **JANUARY 15, 2020**

**Amount To Be Deposited Into Escrow:** **\$6,800,000.00 ("Lessor's Deposit")**

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**CITY OF PASADENA**  
(Lessee)

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

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

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

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

Title: Authorized Officer