RKN
02/11/16
Item No. 10 A

AN ORDINANCE 2016-02-11-0068

AUTHORIZING THE MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT WITH BANC OF AMERICA PUBLIC CAPITAL CORP AND AN ESCROW AND ACCOUNT CONTROL AGREEMENT WITH BANK OF AMERICA PUBLIC CAPITAL CORP AND FROST BANK FOR THE ACQUISTION OF VARIOUS EQUIPMENT FOR THE SOLID WASTE MANAGEMENT DEPARTMENT; AUTHORIZING SCHEDULE A TO THE MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT IN THE TOTAL AMOUNT OF $24,030,918.00, AUTHORIZING THE EXECUTION OF DOCUMENTS RELATED TO THE TRANSACTION; ENACTING OTHER PROVISIONS INCIDENT AND RELATED TO THE SUBJECT AND PURPOSE OF THIS ORDINANCE; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE.

* * * * *

WHEREAS, the City of San Antonio, Texas ("City" or "Lessee") is a home rule municipality, a political subdivision of, and is duly organized and existing pursuant to the Constitution and laws of the State of Texas ("State"); and

WHEREAS, pursuant to applicable law, the City Council ("Council") of the City is authorized to acquire, dispose of, and encumber personal property, including, without limitation, rights and interest in property, and leases necessary to the functions or operations of the City; and

WHEREAS, a Request for Bid for Tax-Exempt Equipment Lease/Purchase Financing ("RFB"), soliciting bids for a tax-exempt master equipment lease/purchase financing provider was issued by the City on December 7, 2015; and

WHEREAS, eight (8) financial institutions submitted bids in response to the RFB, which were received by the City and evaluated by the Finance Department; and

WHEREAS, City Staff recommended that the City as Lessee enter into a Master Agreement defined herein with Banc of America Public Capital Corp as "Lessor" (attached hereto as **Exhibit A**) and an Escrow and Account Control Agreement with the Lessor, the Lessee, and Frost Bank, San Antonio, Texas (as "Escrow Agent"), providing terms and conditions under which lease/purchase transactions shall be conducted by and between the parties; and

WHEREAS, the Lessee desires to acquire on or about February 17, 2016, eighteen (18) refuse collection trucks for the Solid Waste Management Department (the "Refuse Collection Trucks") for the total amount of $5,084,982.00, as disclosed in Schedule A to the Master Agreement attached hereto as Exhibit B and incorporated by reference for all purposes; and

WHEREAS, the Lessee also desires to acquire on or about February 17, 2016, three hundred forty-four thousand five hundred forty-four (344,544) refuse containers (the "Refuse

Containers") for the total amount of $18,945,936.00, as also disclosed in Schedule A to the Master Agreement attached hereto as Exhibit B; and

WHEREAS, the Refuse Collection Trucks and the Refuse Containers are sometimes hereafter collectively referred to as the "Equipment"; and

WHEREAS, Lessor shall act as lessor under Schedule A to the Master Agreement; and

WHEREAS, the Equipment is essential for the Lessee to perform its governmental and/or proprietary functions; and

WHEREAS, the Council hereby finds and determines that the adoption of this Ordinance and authorization for the execution and delivery of Schedules A to the Master Agreement are in the best interests of the City; **NOW THEREFORE**:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City hereby approves the bid form presented by Banc of America Public Capital Corp as the low bid and selects and approves Banc of America Public Capital Corp as the finance provider of the Master Tax-Exempt Equipment Lease/Purchase Agreement which provides for the financing of (1) $5,084,982.00 for the acquisition of eighteen (18) refuse collection trucks for the Solid Waste Management Department at an interest rate of 1.29% for a sixty (60) month term to pay the costs of the transaction and (2) $18,945,936.00 for the acquisition of three hundred forty-four thousand five hundred forty-four (344,544) refuse containers for the Solid Waste Management Department at an interest rate of 1.09% for a thirty- six (36) month term to pay the costs of the transaction. The terms and conditions of that certain Master Equipment Lease/Purchase Agreement ("Master Agreement") by and between the City and Banc of America Public Capital Corp, a true and correct copy of which is attached hereto as **Exhibit A**, are hereby approved. The City Manager, the City Manager's designee, and/or the City's Chief Financial Officer or his designee, and/or the Director of Finance or his designee, acting on behalf of the City, are hereby authorized to execute and enter into the Master Agreement in substantially the form set forth in **Exhibit A** hereto.

SECTION 2. The City hereby selects and approves Frost Bank, San Antonio, Texas, as the account agent of the Escrow and Account Control Agreement (the "Escrow Agreement"). The terms and conditions of that certain Escrow and Account Control Agreement ("Escrow Agreement") by and between the City, Frost Bank, San Antonio, Texas, and Banc of America Public Capital Corp, a true and correct copy of which is attached hereto as **Exhibit B**, are hereby approved. The City Manager, the City Manager's designee, and/or the City's Chief Financial Officer or his designee, and/or the Director of Finance or his designee, acting on behalf of the City, are hereby authorized to execute and enter into the Escrow Agreement in substantially the form set forth in Exhibit B hereto.

SECTION 3. Schedule A to the Master Agreement, as attached hereto as **Exhibit C** is hereby approved and is incorporated by reference into this Ordinance for all purposes.

SECTION 4. The City Manager, the City Manager's designee, and/or the City's Chief Financial Officer or his designee, and/or the Director of Finance or his designee, acting on behalf of the City, are hereby authorized to negotiate, execute and enter into Schedule A to the Master Agreement in substantially the forms set forth in **Exhibit C** hereto, which document is available for public inspection at the Office of the City Clerk. The Mayor, City Manager, Chief Financial Officer, City Attorney, and the City Clerk (each an "Authorized Officer"), acting on behalf of the City, are each hereby authorized to enter into, execute, and deliver such other documents and certificates relating to Schedule A to the Master Agreement as the Authorized Officer deems necessary and appropriate as specified in Schedule A to the Master Agreement, without further action by this Council. All other related contracts, certificates, and agreements necessary and incidental to Schedule A to the Master Agreement are hereby authorized, with the exception of adding future Schedules to the Master Agreement, other than Schedule A as authorized by this Ordinance. Future Schedules to the Master Agreement shall require approval by Council.

SECTION 5. The aggregate original principal amount for the Refuse Collection Trucks and the Refuse Containers, respectively, shall not exceed the amount set forth in Schedule A to the Master Agreement and shall bear interest as set forth in Schedule A to the Master Agreement and Schedule A to the Master Agreement shall contain such options to purchase and/or prepay by the City as set forth therein.

SECTION 6. The City's obligations under Schedule A to the Master Agreement shall be subject to annual appropriation or renewal by the Council as set forth in Schedule A to the Master Agreement and the City's obligations under Schedule A to the Master Agreement and shall not constitute a general obligation of the City or indebtedness under the Constitution or laws of the State.

SECTION 7. The Chief Financial Officer and/or the Director of Finance are authorized to record and account for Schedule A to the Master Agreement in accordance with generally accepted accounting principals and all other applicable laws.

SECTION 8. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the Council.

SECTION 9. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters resolved herein.

SECTION 10. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 11. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 12. Expenses not to exceed $24,030,918.00 associated with this ordinance will be available in Fund 55005007, 2016 Equipment Acquisition-SWMD, contingent upon the execution of a lease agreement. Principal and interest payments will be charged to Cost Center 5501010001 and General Ledgers 5404010 and 5404020, respectively.

SECTION 13. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 14. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 15. This Ordinance is effective immediately, upon passage by eight (8) affirmative votes; otherwise, said effective date shall be ten (10) days from the date of passage hereof.

PASSED AND ADOPTED by an affirmative vote of 10 members of the City Council of the City of San Antonio, Texas, this the 11th day of FEBRUARY, 2016.

Ivy R. Taylor

M A Y O R
Ivy R. Taylor

ATTEST:

Leticia M. Vacek, City Clerk

I the undersigned, Acting City Attorney of the City of San Antonio, Texas, hereby certify that I read, passed upon, and approved as to form the foregoing Ordinance prior to its adoption and passage aforesaid.

Martha G. Sepeda, Acting City Attorney City of San Antonio, Texas

Agenda Item:	**10A (in consent vote: 4, 5, 6, 7, 8, 9A, 9B, 10A, 10B, 11, 12, 13A, 13B, 14A, 14B, 14C, 15, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 31, 32)**
Date:	02/11/2016
Time:	09:19:59 AM
Vote Type:	Motion to Approve
Description:	An Ordinance approving the Master Tax Exempt Lease Purchase Agreement for Solid Waste Equipment with Banc of America Public Capital Corp and an Escrow and Account Control Agreement with Banc of America Public Capital Corp and Frost Bank, approving Exhibits and related Schedules to the Master Tax Exempt Lease Purchase Agreement in the amount of $24,030,918 for the acquisition of collection trucks and toters for the Solid Waste Management Department
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Roberto C. Treviño	District 1		x				
Alan Warrick	District 2		x				
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5	x					
Ray Lopez	District 6		x				x
Cris Medina	District 7		x			x	
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x				
Michael Gallagher	District 10		x				

EXHIBIT A

MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT

(SOLID WASTE MANAGEMENT DEPARTMENT)

THIS MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT (the *"Agreement"*), dated as of February 17, 2016, is by and between **BANC OF AMERICA PUBLIC CAPITAL CORP** (*"Lessor"*), and the **CITY OF SAN ANTONIO, TEXAS** (*"Lessee"*).

WITNESSETH:

WHEREAS, Lessee is a political subdivision of the State of Texas, and is authorized and empowered under the laws of the State, particularly the Public Property Finance Act, Texas Loc. Gov't. Code Ann. §271.001 et seq. (the *"Act"*) to lease, as lessee, to purchase, finance, and receive, and to control and dispose of personal property, whether movable or fixed, considered by the City Council of Lessee to be necessary, useful or appropriate to one or more governmental purposes of Lessee; and

WHEREAS, the parties hereto desire that Lessee lease from Lessor the Equipment (defined below) to be identified by Lessee, on the terms and conditions set forth below, which Equipment the City Council of Lessee shall determine is necessary, useful and appropriate to one or more governmental purposes of Lessee and shall be specifically identified in Schedule A (as hereinafter defined) attached hereto and made a part hereof; and

WHEREAS, the relationship between the parties shall be a continuing one for the term described in this Agreement and any renewals hereof, and additional Equipment may be leased from time to time by execution of additional Schedules by the parties hereto and as otherwise provided herein; and

WHEREAS, Lessee shall make Lease Payments (as hereinafter defined) and certain other payments directly to Lessor for the possession, use and ownership of the Equipment; and

WHEREAS, this Agreement shall not constitute a debt or liability obligation of the State (as hereinafter defined) or Lessee or any political subdivision of the State, or a pledge of the faith and credit or taxing power of the State, or Lessee, or any political subdivision of the State, but shall be a special obligation payable solely from the current revenues of Lessee, subject to annual appropriation by the City Council of Lessee, in accordance with the provisions hereof; and

WHEREAS, as security for the payment of all of Lessee's obligations under this Agreement Lessee shall assign to Lessor a first priority perfected security interest in the Equipment;

NOW, THEREFORE, for and in consideration of the premises and of the covenants hereinafter contained, and other valuable considerations, the parties hereto agree as follows:

SECTION 1. DEFINITIONS.

For the purposes of this Agreement and related documents, the following definitions will apply:

1.1. **Acceptance Certificate**. With respect to each Lease, a Certificate of Lessee, in substantially the form set forth on Attachment A to Schedule A hereunder, which sample Schedule A is attached hereto and incorporated herein for all purposes as Exhibit A, by which Lessee accepts delivery of the Equipment and authorizes Lessor to disburse funds to purchase the Equipment.

1.2. **Acceptance Date**. Unless otherwise agreed to by the prior written consent of Lessor, the date on which the Acceptance Certificate is executed and delivered by Lessee to Lessor pursuant to the terms of this Agreement with respect to each Lease.

1.3. **Escrow and Account Control Agreement**. The Escrow and Account Control Agreement (the "Escrow Agreement") dated as of February 17, 2016 by and among Lessor, Lessee and Frost Bank, San Antonio, Texas (the "Escrow Agent").

1.3A. **Acquisition Period.** The period stated in Schedule A during which the Lease Proceeds attributable to such Lease may be expended on for the Contract Price of the Equipment.

1.4. **Agreement Date.** The Agreement Date means the date first written above.

1.5. **Authorized Investments.** Any investment authorized pursuant to the Public Funds Investment Act, V.T.C.A. Government Code §2256.001 et seq. as amended from time to time, and the written investment policy of Lessee most recently approved by the City Council of the Lessee ("City Council").

1.6. **Authorized Officer**. (i) In the case of Lessor, any President or Vice President, and when used in reference to an act or document of Lessor, also means any other person authorized to perform the act or sign the document, and (ii) in the case of Lessee, the Mayor of the City Council, or any other person authorized by the City Council of Lessee pursuant to the terms of the ordinance approving this Agreement.

1.7. **Closing**. The date of delivery of all executed documents related to this Agreement and Schedule A hereunder as required under Section 2.1 of this Agreement and Schedule A.

1.8. **Contract Price**. The all-inclusive price of an item of Equipment, including the cost of installation, freight, taxes and training (such costs not to exceed 20% of the total cost of the Equipment), but excluding the cost of any service contract, as set forth in the applicable Purchase Agreement.

1.9. **Contract Rate.** The Contract Rate means the rate identified as such in Schedule A. The Contract Rate for Schedule A shall remain constant and unchanged for the entire term of Schedule A, except as set forth herein, there shall be no adjustments to or revisions of the Contract Rate at any time during this Agreement.

1.10. Determination of Taxability. A determination, made in regard to section 103 of the Code (as defined herein) in the form of a final determination, decision or decree by the Commissioner or any District Director of Internal Revenue, or by any court of competent jurisdiction, which is not subject to further review to the effect that by reason of any action or inaction by Lessee or any violation by Lessee of any of its covenants or representations in this Agreement or any misrepresentation in any certificate furnished in connection with a Schedule hereunder, the interest payable by the Lessee on such Schedule is includable in the gross income of the Lessor under the Code.

1.11. Equipment. The goods enumerated in Schedule A that is now or may hereafter from time to time become attached hereto and incorporated herein by reference, together and with any and all additions, modifications, attachments, replacements and parts thereof.

1.12. Equipment Acquisition Account. The account so designated and established by Lessee pursuant to Section 14.2 hereof.

1.13. Lease. Schedule A duly executed by the parties and the terms of this Agreement, which are incorporated by reference into Schedule A and shall be in substantially the form as set forth in Exhibit A.

1.14 Lease Proceeds. With respect to Schedule A, the total amount of money or other consideration to be paid or provided by Lessor, in no event to exceed the Maximum Contract Amount, for application in accordance with Schedule A and Section 14 hereof, including (a) the Contract Price of each item of Equipment set forth on Schedule A payable to the Vendor thereof upon acceptance by Lessee and (b) the amount, if any, paid by Lessee and applied to the reasonable costs of issuance of Schedule A.

1.15. Lease Term. The period during which the Lease is in effect, in accordance with Section 3 hereof.

1.16. Lease Term Commencement Date. The date as set forth on Schedule A hereto.

1.17. Lease Term Interest Rate. The interest rate per annum on the Lease Proceeds as set forth on Schedule A hereto, as and if adjusted pursuant to the provisions of Section 4.4 (a) hereof.

1.18. Maximum Contract Amount. The amount as set forth on Schedule A hereto, which amount is $24,030,918.00.

1.19. Purchase Agreement or **Purchase Agreements**. Each of the purchase agreements between Lessee and the Vendors of the Equipment.

1.20. Purchase Price. The amount of outstanding principal balance of Lease Payments which Lessee may from time to time pay or cause to be paid to Lessor in addition to all other amounts then owed hereunder by Lessee in order to purchase the Equipment, as provided in Section 5 hereof, such amount being set forth in Schedule A.

1.21. **Rebate Account**. The account so designated by Lessee if so established pursuant to this Agreement.

1.22. **Lease Payments**. The scheduled payments (but excluding reimbursements and other amounts payable to Lessor hereunder) payable by Lessee pursuant to the provisions of this Agreement and Schedule A.

1.23. **Schedule A**. The document(s) now or hereafter from time to time attached hereto and incorporated herein by reference and signed by the parties which, among other things, describes the Equipment to be leased by Lessor to Lessee, describes the Lease Term for the Equipment listed thereon and Lessee's obligations with respect to payment. Schedule A shall be in substantially the form as set forth in Exhibit A.

1.24. **State**. The State of Texas.

1.25. **Taxable Rate**. The taxable interest rate specified in Schedule A, based upon a 360-day year of twelve 30-day months, payable in accordance with Section 4.4 hereof.

1.26. **Total Contract Price**. The amount as set forth in Schedule A hereto.

1.27. **UCC**. The State's Uniform Commercial Code.

1.28. **Vendor** or **Vendors**. The manufacturer or manufacturers of an item of Equipment, as well as the agents or dealers of the manufacturer, from whom Lessee has purchased or is purchasing items of Equipment.

SECTION 2. LEASE OF EQUIPMENT.

2.1. Acquisition of Equipment; Conditions Precedent.

(a) Lessee either has ordered or shall order the Equipment pursuant to one or more Purchase Agreements from one or more Vendors. Lessee shall remain liable to each such Vendor with respect to its duties and obligations in accordance with the Purchase Agreement, and as between Lessor and Lessee, Lessee shall bear the risk of loss with respect to any loss or claim relating to any item of Equipment covered by any Purchase Agreement.

(b) The obligation of Lessor to deposit the Lease Proceeds to the Equipment Acquisition Account is subject to the receipt by Lessor of the following documents and the satisfaction of the following conditions, all of which shall be reasonably satisfactory to Lessor in form and substance:

(i) There shall exist no Event of Default (as defined in Section 12.1 hereof) under this Agreement or Schedule A hereunder, or any condition, event or act which with notice or lapse of time, or both, would become an Event of Default thereunder which has not been remedied or waived;

(ii) There shall exist no material adverse change in the financial condition of Lessee;

(iii) This Agreement, Schedule A (including Attachments B through K) duly executed by Lessee;

(iv) Evidence of insurance as required under Section 6.7 hereof;

(v) Escrow Agreement executed by Escrow Agent, Lessor and Lessee; and

(vi) Financial information and such other documents, instruments or other items as may be reasonably required by Lessor.

2.2. Lease of Equipment.

(a) Upon execution of Schedule A and satisfaction of the conditions described in Section 2.1(b) above, Lessor shall provide the Lease Proceeds specified in Schedule A to be provided by it to acquire the Equipment and to lease to Lessee, and Lessee shall lease from Lessor the Equipment, all in accordance with the provisions of this Agreement and Schedule A, to have and to hold for the Lease Term. Lessee hereby acknowledges and agrees that Lessor shall retain a perfected first priority security interest in the Equipment in accordance with this Agreement. The execution and delivery of this Agreement and Schedule A hereunder shall not obligate Lessor to execute and deliver any other Schedule A or to provide any funds or other consideration with respect to any other Schedule A unless and until such Schedule A has been executed and delivered by all other parties thereto and all conditions set forth in this Agreement and such Schedule A have been satisfied.

SECTION 3. AGREEMENT TERM AND LEASE TERM.

3.1. Agreement Term. This Agreement shall be in effect from the Agreement Date until the earliest of (a) termination under Section 3.4 or (b) termination under Section 12.2; provided, however, no Schedule shall be executed after any Non-Appropriation or Event of Default. Schedule A shall be in effect for the Lease Term commencing upon the Lease Term Commencement Date and ending as provided in Section 3.3. Lessee's City Manager or Chief Financial Officer shall have authority to execute renewals on behalf of Lessee without further action by the City Council.

3.2 Lease Term.

(a) The Lease Term for Schedule A shall commence on the Lease Term Commencement Date set forth in Schedule A and shall terminate in accordance with section 3.3. Schedule A is subject to the approval of the City Council, as evidenced by passage of an ordinance.

3.3. Termination of Lease Term. The Lease Term for Schedule A will terminate upon the earliest to occur of any of the following events:

(a) The non-renewal thereof in accordance with the terms and conditions of Section 3.4 of this Agreement; or

(b) The exercise by Lessee of the option granted under the provisions of Sections 5.1 or 6.8 hereof to purchase the Equipment identified in Schedule A; or

(c) Lessor's election to terminate this Agreement under Section 12.2 due to Lessee's default hereunder; or

(d) The payment by Lessee of all Lease Payments in accordance with this Agreement with respect to Schedule A and any additional amounts required to be paid by Lessee hereunder.

3.4. **Non-appropriation**. Subject to the provisions of Section 15 hereof, in the event sufficient funds are not appropriated for the payment of all Lease Payments required to be paid in the succeeding Fiscal Year of Lessee, then Lessee may terminate this Agreement, and/or any Lease executed hereunder, at the end of the then current Fiscal Year of Lessee, and Lessee shall not be obligated to make payment of the Lease Payments provided for in Schedule A. LESSEE AGREES TO DELIVER NOTICE TO LESSOR OF SUCH TERMINATION WITHIN 10 DAYS AFTER ITS FINAL BUDGET FOR THE NEXT FISCAL YEAR IS APPROVED.

SECTION 4. LEASE PAYMENTS.

4.1. **Lease Payments to Constitute a Current Expense of Lessee**. Lessor and Lessee understand and intend that the obligation of Lessee to pay Lease Payments hereunder and under Schedule A shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by Lessee, nor shall anything construed herein constitute a pledge of the general tax revenues, funds or moneys of Lessee. No provision, covenant or agreement contained in this Agreement or any obligation herein imposed on Lessee, or the breach thereof, shall constitute or give rise to or impose upon Lessee a pecuniary liability, a charge upon its general credit or taxing powers, (if any), or a pledge of its general revenues. In making the provisions, covenants and agreements set forth in this Agreement, Lessee has not obligated itself except with respect to the Equipment and the application of Lease Payments to be paid by Lessee hereunder.

4.2. **Amount and Times of Payment**. As rental for the Equipment, Lessee hereby agrees to pay Lessor the amounts specified in Schedule A at the times and in the manner set forth therein, and, if applicable, the amounts set forth in Section 15.1(c).

4.3. **Allocation of Interest**. A portion of each Lease Payment shall be allocated to interest in accordance with the amortization schedule attached to Schedule A and its corresponding Acceptance Certificates.

4.4. **Lease Term Interest Rate**.

(a) The principal component of the Lease Payments shall bear interest during the Lease Term at the rate set forth in Schedule A (the "Interest Rate"); provided, however, in the event of a Determination of Taxability, such interest rate set forth in Schedule A shall automatically increase to the Taxable Rate retroactive to the date of the occurrence of the Determination of Taxability and Lessee will pay such additional amount as will result in Lessor

receiving the interest component of the Lease Payments at the Taxable Rate; provided, further, that such Interest Rate set forth in Schedule A or such Interest Rate set forth in Schedule A as increased by the terms hereof, respectively, shall never exceed the then maximum interest rate allowed for similar governmental obligations pursuant to Chapter 1204, Texas Government Code, as amended, or other applicable laws in effect as of the date of Schedule A or as of the date of any increase to such interest rate, respectively.

(b) Amortization Period. Lessee shall have the sole option of selecting the amortization period for Schedule A, which shall be not less than thirty-six 36 months and not greater than eighty-four 84 months, and payable in substantially equal principal and interest payments, unless otherwise agreed by the parties and so indicated on Schedule A. Interest for Schedule A shall accrue commencing on the date of delivery of Lease Proceeds under Schedule A.

4.5. Place of Payments. All payments required to be made to Lessor hereunder shall be made at Lessor's principal office or as may be otherwise directed by Lessor or its assignee.

4.6. Late Payment. Should Lessee fail to pay any part of the Lease Payments or any other sum required to be paid by Lessor on or before the due date thereof, such unpaid amount shall continue to accrue interest at a rate equal to the Interest Rate plus five percent (5%) (the "Late Rate") until paid.

4.7. Abatement of Payments. There will be no abatement or reduction of payments by Lessee for any reason, including but not limited to, any defense, recoupment, setoff, counterclaim, or any claim (real or imaginary) arising out of or related to any defects, damages, malfunctions, breakdowns or infirmities of the Equipment. Lessee assumes and shall bear the entire risk of loss and damage to the Equipment from any cause whatsoever, it being the intention of the parties that the Lease Payments shall be made in all events unless the obligation to make Lease Payments is terminated as otherwise provided herein.

4.8. Lease Payments to Be Unconditional. The obligations of Lessee to make payment of the Lease Payments, subject to annual appropriation, and all other payments and fees due hereunder, subject to annual appropriation, as well as to perform and observe all other covenants hereunder, shall be absolute and unconditional in all events, without abatement, diminution, deduction, set-off or defense for any reason, including without limitation any failure of the Equipment to be delivered or installed, any defects, malfunctions, breakdowns or infirmities in the Equipment or any accident, condemnation, destruction or unforeseen circumstances. Notwithstanding any dispute between Lessee and Lessor, any Vendor or any other person, Lessee shall make all Lease Payments when due and shall not withhold any Lease Payments pending final resolution of such dispute, nor shall Lessee assert any right of set-off or counterclaim against its obligation to make such payments required under this Agreement.

4.8A. Lessee Right of Independent Action. Nothing herein shall be deemed or construed to prohibit or prevent Lessee from asserting or claiming any right or remedy (at law or in equity) it may have against Lessor under any contract or otherwise in an independent cause of action which does not involve or constitute a right or claim to abatement, diminution, deduction, set-off or defense to any of Lessee's obligations under a Lease.

4.9. Appointment of Servicer. Lessor shall have the right, at its expense, to designate an entity to act as the "*Servicer*" for the collection of Lease Payments payable by Lessee, the enforcement of remedies or the distribution of funds to one or more holders of interests in this Agreement, all as provided herein. Any Servicer appointed under this Section shall be a trust company or a bank having the powers of a trust company, having a capital and surplus of not less than fifty million ($50,000,000.00) dollars. Any such Servicer shall notify Lessee and Lessor of its acceptance of the appointment and, upon giving such notice, shall become Servicer, vested with all the property, rights and powers of the Servicer hereunder, without any further act or conveyance. Such Servicer shall execute, deliver, record and file such instruments as are required to confirm or perfect its acceptance hereunder and set forth its duties hereunder.

SECTION 5. PREPAYMENT; PURCHASE.

5.1. Purchase Rights. Lessee shall be entitled to full title and all ownership interests in the Equipment identified on Schedule A, and Lessor's security interest therein shall be terminated:

(a) Upon payment in full of all Lease Payments under Schedule A and all other amounts due under this Agreement, with respect to Schedule A; or

(b) Upon written notice by Lessee delivered at least thirty (30) days in advance of any date on which a Lease Payment is due, and upon the payment on such date of the Lease Payments due, the Purchase Price, and all other amounts owed by Lessee under Schedule A.

5.2. Optional Prepayment. Lessee shall have the right to prepay the outstanding principal balance of any Schedule A hereunder, in full or in part on any Lease payment date; provided, that as conditions precedent to Lessee's right to make, and Lessor's obligation to accept, any such prepayment: (i) Lessor shall have actually received the notice required in Section 5.1(b) above providing the amount of principal which will be prepaid (the *"Prepaid Principal"*) and the date (the *"Prepayment Date"*) on which the prepayment will be made; (ii) each prepayment of principal shall be in the amount of twenty-five ($25,000) dollars or a larger integral multiple of five thousand ($5,000) dollars (unless the prepayment retires the outstanding balance of the Schedule A in full); and (iii) each such prepayment shall be in the amount of one hundred percent (100%) of the principal amount to be prepaid plus accrued unpaid interest thereon to the Prepayment Date, plus any other sums which have become due to Lessor under such Schedule A on or before the Prepayment Date but have not been paid, provided, however, in no event shall any prepayment cause the Interest Rate on such Schedule A to exceed the maximum interest rate allowed for similar governmental obligations pursuant to Chapter 1204, Texas Government Code, as amended, or other applicable laws in effect as of the date of such Schedule A. All prepayments of principal shall be applied to principal in inverse order of maturity. There are no prepayment premiums.

5.3. Consummation of Purchase. Lessor's security interest in the Equipment identified in Schedule A shall be terminated and released automatically in conjunction with the receipt of the full Purchase Price or the final Lease Payment due thereunder plus any other

amounts then due from Lessee hereunder, unless an Event of Default hereunder shall have occurred and be continuing as of such date. Such date may at the discretion of Lessor be extended for such additional period as Lessor's counsel reasonably determines to be necessary to reflect the impact of, and avoid the risks related to, bankruptcy-related laws. On such date, Lessor shall deliver to Lessee such deeds, termination statements, bills of sale and other documents and instruments as Lessee shall reasonably require to evidence the transfer of all right, title and interest of Lessor in such Equipment to Lessee free and clear of all liens and encumbrances created by or arising, directly or indirectly, through Lessor.

5.4. Mandatory Prepayment. Subject to Section 13.1, all or substantially all of the assets of Lessee, including Lessee's interest in this Agreement and the Equipment, may be acquired in any manner by another entity, subject to the opinion of counsel acceptable to Lessor as to the continued exclusion from gross income of the interest component of the Lease Payments. However, if all or substantially all of the assets of Lessee, including Lessee's interest in this Agreement and the Equipment, are acquired in any manner by another entity, Lessee may be required, at the direction of Lessor to prepay in whole the Purchase Price, plus any other amounts then due from Lessee hereunder.

5.5. Eminent Domain by Lessee. Lessee expressly agrees that in connection with any exercise of its eminent domain powers, the fair market value of the Equipment shall be the Purchase Price plus any Lease Payment then due.

SECTION 6. RESPONSIBILITIES OF LESSEE.

6.1. Care and Use of Equipment. Lessee shall use the Equipment in a careful and proper manner, in compliance with all applicable laws and regulations, and at its sole cost and expense, service, repair and maintain the Equipment so as to keep the Equipment in good condition, repair, appearance and working order for the purposes intended, ordinary wear and tear excepted, and shall replace any part of the Equipment as may from time to time become worn out, lost, stolen, destroyed or damaged or is unfit for use. Subject to the terms of Section 6.5 hereof, any and all such additions to or replacements of the Equipment and all parts thereof shall constitute accessions to the Equipment and shall be subject to all the terms and conditions of this Agreement and included in the term "Equipment" as used in this Agreement or in Schedule A hereunder. Upon the early termination of this Agreement pursuant to Section 12.2, Lessee shall return the Equipment at Lessee's sole expense to Lessor within a 300 mile radius of the City of San Antonio, Texas and within the State of Texas, AS DESIGNATED BY LESSOR, or such other location as the parties may from time to time reasonably agree or specify to the contrary in any Lease hereunder, with Lessee bearing such costs and expenses up to the point of redelivery, and thereupon, any and all interest Lessee may have in the Equipment shall immediately revert to Lessor, without any further act of conveyance and such Equipment shall be transferred to Lessor with full and unencumbered legal title and ownership. Lessee shall have no further interest therein, and shall execute any and all reasonable documents, if commercially reasonable, as to evidence the passage of legal title and ownership in Lessor.

6.2. Inspection. Lessor shall have the right upon reasonable prior notice to Lessee to enter onto and upon the premises where the Equipment is located to inspect the Equipment and observe its use during normal business hours.

6.3. **Utilities**. Lessee shall pay all charges for gas, water, steam, electricity, light, heat or power, telephone or other utility service furnished to or used on or connection with the Equipment during the Lease Term. There shall be no abatement of Lease Payments on account of interruption of any such services.

6.4. **Taxes**. Lessee agrees to pay when due any and all taxes relating to the Equipment and Lessee's obligations hereunder, including but not limited to, all license or registration fees, gross receipts tax, sales and use tax, if applicable, license fees, documentary stamp taxes, rental taxes, assessments, charges, ad valorem taxes, if applicable, excise taxes, and all other taxes licenses and charges imposed on the ownership, possession or use of the Equipment by any governmental body or agency, together with any interest and penalties, whether the taxes assessed are assessed against Lessor or Lessee, other than taxes on or measured by the net income of Lessor.

6.5. **Alterations**. Without the prior written consent of Lessor, which consent shall not be unreasonably withheld, Lessee shall not make any alterations, modifications or attachments to the Equipment which cannot be removed without materially damaging the functional capabilities or economic value of the Equipment. Upon return of the Equipment and at Lessor's request, Lessee at its sole cost and expense, will remove all alterations, additions and attachments and repair the Equipment as necessary to return the Equipment to the condition in which it was furnished, ordinary wear and tear excepted.

6.6. **Transportation and Installation Charges**. Lessee shall be responsible for all charges relating to the transportation of the Equipment to Lessee's location and the installation at such location. Lessor may at its option either prepay such charges and invoice Lessee or forward invoices to Lessee as they are received and Lessee shall remit payment within ten (10) days upon Lessee's receipt of same.

6.7. **Insurance**. Lessee shall during each Lease Term maintain or cause to be maintained (a) casualty insurance naming Lessor and its assigns as loss payee and insuring the Equipment against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State, and any other risks reasonably required by Lessor, in an amount at least equal to the Purchase Price of the Equipment; (b) liability insurance that names as an additional insured and protects Lessor from liability in all events in form and amount satisfactory to Lessor; and (c) worker's compensation coverage as required by the laws of the State; *provided* that, with Lessor's prior written consent, Lessee may self-insure against the risks described in clauses (a), (b), and (c). Execution of this Agreement on behalf of Lessor evidences its prior written consent to Lessee's self-insurance against such risks. Lessee shall furnish to Lessor evidence of such insurance or self-insurance coverage throughout each Lease Term. Lessee shall not cancel or modify such insurance or self-insurance coverage in any way that would affect the interests of Lessor without first giving written notice thereof to Lessor at least thirty (30) days in advance of such cancellation or modification.

6.8. **Risk of Loss**. Lessee shall bear all risk of loss to the Equipment, after delivery of the Equipment to Lessee, and in the event of loss or damage thereto, Lessee shall as its option either (i) continue to make the Lease Payments due hereunder and repair or replace the

Equipment as mutually agreed between Lessee and Lessor, or (ii) purchase the Equipment for the Purchase Price plus any other amounts then owed by Lessee hereunder.

6.9. Performance by Lessor of Lessee's Responsibilities. Any performance required of Lessee or any payments required to be made by Lessee may, if not timely performed or paid, be performed or paid by Lessor, and in that event, Lessor shall be immediately reimbursed by Lessee for such payments.

6.10. Financial Statements. Lessee shall keep its books and records in accordance with generally accepted accounting principles. Lessee agrees that it will furnish Lessor: (a) Lessee's current audited financial statements within one hundred eighty (180) days of each fiscal year end including (i) a balance sheet, (ii) statement of revenues, expenses and changes in fund balances, (iii) statement of cash flows, (iv) operating fund budget analysis, and (v) appropriate notes, schedules and attachments to the financial statements; (b) within ninety (90) days of each fiscal year end a copy of the adopted proposed annual budget for the then current fiscal year and within one hundred twenty (120) days of each fiscal year end a copy of the final budget; and (c) such other financial information relating to the ability of Lessee to continue performing hereunder (as submitted or approved) and permit Lessor or its agents and representatives to inspect Lessee's books and records and make extracts therefrom. Lessee represents and warrants to Lessor that all financial statements which have been delivered to Lessor fairly and accurately reflect Lessee's financial condition and there has been no material adverse change in Lessee's financial condition as reflected in the statements since the date thereof.

6.11. Purchase Agreement; Installation Contract. Lessee shall provide to Lessor a copy of any invoice, Purchase Agreement, installation contract, or other similar document and the projected installation schedule and any amendments thereto entered into for the Equipment being financed pursuant to this Agreement.

6.12. Advances. In the event Lessee shall fail to keep the Equipment in good repair and working order, Lessor may, but shall be under no obligation to, maintain and repair the Equipment and pay the costs thereof. Lessee agrees to repay such amounts so advanced by Lessor with interest thereon from the date of the advance until paid at the applicable Schedule Rate.

6.13. Rates and Charges. Lessee will, at all times while this Agreement and Schedule A issued hereunder are outstanding, establish, fix, prescribe and collect revenues and charges for the services produced or furnished by Lessee which are reasonably expected to yield income sufficient to satisfy the Lease Payments due thereunder.

SECTION 7. DAMAGE, DESTRUCTION AND CONDEMNATION.

7.1. Damage, Destruction and Condemnation. Unless Lessee shall have exercised its option to purchase the Equipment by making payment of the Purchase Price and other amounts owed by Lessee hereunder, as provided in this Agreement and the applicable Schedule A, if, prior to the termination of the applicable Lease Term, (a) the Equipment or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Equipment or any part thereof shall be taken under the exercise or

threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, Lessee and Lessor will cause the Net Proceeds (as hereinafter defined) of any insurance claim or condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Equipment. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee.

Notwithstanding the foregoing, Lessee may elect to replace the Equipment. If Lessee elects to replace any item of the Equipment (the *"Replaced Equipment"*) pursuant to this Section, the replacement equipment (the *"Replacement Equipment"*) shall be of similar type, utility and condition to the Replaced Equipment and shall be of equal or greater value than the Replaced Equipment. Lessee shall represent, warrant and covenant to Lessor that each item of Replacement Equipment is free and clear of all claims, liens, security interests and encumbrances, excepting only those liens created by or through Lessor, and shall provide to Lessor any and all documents as Lessor may reasonably request in connection with the replacement, including, but not limited to, documentation in form and substance satisfactory to Lessor evidencing Lessor's security interest in the Replacement Equipment. Lessor and Lessee hereby acknowledge and agree that any Replacement Equipment acquired pursuant to this paragraph shall constitute "Equipment" for purposes of this Agreement and Schedule A. Lessee shall notify Lessor as soon as possible of its election to replace Equipment in accordance with the foregoing, and in any event, Lessee shall complete the documentation of Replacement Equipment on or before the next Lease Payment date after the occurrence of a casualty event, or be required to exercise the purchase option with respect to the damaged Equipment.

For purposes of this Section, the term "Net Proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim or condemnation award or sale under threat of condemnation.

7.2. **Insufficiency of Net Proceeds**. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 7.1, Lessee shall either (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds, or (b) pay or cause to be paid to Lessor the amount of the Purchase Price for the Equipment and any other amounts then due from Lessee hereunder, and, upon such payment, the applicable Lease Term shall terminate and Lessor's security interest in the Equipment shall terminate as provided in Section 3 hereof. The amount of the Net Proceeds, if any, remaining after completing such repair, restoration, modification or improvement or after purchasing such Equipment and such other Equipment shall be retained by Lessee. If Lessee shall make any payments pursuant to this Section, Lessee shall not be entitled to any reimbursement therefor from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Section 4 hereof.

SECTION 8. TITLE TO EQUIPMENT; SECURITY INTEREST.

8.1. **Title**. During the Lease Term, legal title to the Equipment governed by Schedule A shall, so long as Lessee is not in default under Schedule A and hereunder, be in Lessee. The Equipment shall be registered in the name of Lessee and, if applicable, title thereto shall be evidenced by a certificate of title, or such other instrument as may be required by or utilized by

the laws of the State to demonstrate ownership. Such certificate shall be held at all times during the term of this Agreement by Lessor and shall expressly state thereon that (a) Lessor holds a lien on the Equipment (Lessor's name and address shall appear on such certificate as "Banc of America Public Capital Corp, NE Center Building, 2059 Northlake Parkway, 4th Floor, Tucker, GA 30084-5399"), (b) Lessee's possession of the Equipment is subject to this Agreement, and (c) any other information required by applicable law and that may be necessary or convenient, as determined by Lessor, to establish Lessor's rights, title and interest as the first secured lienholder of the Equipment. Lessee shall at all times protect and defend, at its own cost and expense, its title to the Equipment from and against all claims, liens and legal processes of creditors of Lessee, and keep all Equipment free and clear of all such claims, liens and processes. The Equipment is and shall remain personal property. Upon the occurrence of an Event of Default under this Agreement or upon the termination of this Agreement, other than pursuant to Sections 3.3(b), 3.3(d) or 6.8 hereof, and Lessor's termination thereof (i) full and unencumbered legal title to the Equipment shall pass and revert to Lessor and Lessee shall have no further interest therein; (ii) Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of Lessee's title and interest therein; and (iii) upon request by Lessor, Lessee shall deliver possession of the Equipment to Lessor. Upon termination pursuant to Sections 3.3(b), 3.3(d) or 6.8 hereof, full and unconditional title to the applicable Equipment shall pass to Lessee, and Lessor's security interest in the applicable Equipment shall terminate, and Lessor shall execute and deliver to Lessee such documents as Lessee may request to evidence the termination of Lessor's security or other interest in such Equipment.

8.2. **Security Agreement**. Anything in Section 8.1 hereof to the contrary notwithstanding, Lessee hereby grants to Lessor, as security for all of the obligations of Lessee hereunder, a security interest in any and all of Lessee's right, title and interests in and to this Agreement, the Equipment, all additions, attachments, accessions, substitutions and replacements thereto, and Lease Payments due or to become due hereunder, and any and all proceeds thereof, including without limitation, the proceeds of insurance thereon and any amounts of Lease Proceeds on deposit in the Equipment Acquisition Account, and all investments and proceeds thereof. Lessee agrees to execute and deliver all documents, instruments and financing statements necessary or appropriate to perfect or maintain the security interest granted hereby. It is the intention of the parties hereto that the relationship between such parties created herein is that Lessor be the equivalent of a secured party under Article 9 of the UCC as in effect from time to time and that Lessee be the equivalent of a debtor under such Article 9. To that end, the parties hereto agree that this Agreement shall be governed by Article 9 as if such Article 9 were applicable hereto and that Lessor and Lessee have the rights and obligations of a secured party and debtor, respectively, under such Article 9, all as provided by the provisions of Chapter 1208, Texas Government Code, as amended.

8.3. **Personal Property**. The Equipment is, and shall at all times be and remain, personal property notwithstanding that the Equipment or any part thereof may now be, or hereafter become, in any manner affixed or attached to, or embedded in, or permanently resting upon, real property or any building thereon or any fixtures, or attached in any manner to what is permanent by any means of cement, plaster, nails, bolts, screws or otherwise. Upon request of Lessor, Lessee shall obtain, as to any place where the Equipment is located, a waiver from the landlord and mortgagee thereof with respect to any rights they may have in and to the Equipment of the rights of levy or distraint thereon.

8.4. **Liens**. Lessee shall not directly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, security interest, encumbrance or claim on or with respect to the Equipment or any interest therein, except for the lien and security interest of Lessor therein. Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, security interest, charge, encumbrance or claim if the same shall arise at any time.

8.5. **Inspection, Acceptance and Written Notice of Defects**. Immediately, or as soon as practicable to provide time for testing, upon receipt and installation of the Equipment, Lessee shall inspect the Equipment. Unless Lessee gives Lessor written notice of each defect or other proper objection to the Equipment before the execution of the Acceptance Certificate, it shall be conclusively presumed, as between Lessor and Lessee, that Lessee has fully inspected and acknowledged that the Equipment is in good condition and repair, has been properly installed and is performing satisfactorily, and that Lessee is satisfied with and has accepted the Equipment in such good condition and repair. Lessor shall not make or provide payment to any Vendor (or reimbursement to Lessee pursuant to the requirements of Section 9.2(e) hereof) of the Total Contract Price, or any portion thereof, for the Equipment, or any portion thereof, until Lessor shall have received a duly executed Acceptance Certificate of Lessee in accordance with Section 14 hereof.

8.6. **Change in Name, Corporate Structure or Principal Place of Business**. Lessee shall maintain its existence as a political subdivision of the State and Lessee shall provide to Lessor written notice of any change in its name, structure, or principal place of business thirty (30) days in advance of the date that such change is planned to take effect. This Section shall also apply to any of Lessee's assignees or subassignees permitted under Section 13.1 hereof.

8.7. **Location**. The Equipment shall be located in the place(s) designated in Schedule A.

SECTION 9. REPRESENTATIONS, WARRANTIES AND COVENANTS OF LESSEE.

9.1. **Lessee's Representations, Warranties and Covenants**. Lessee warrants and represents to Lessor (all such representations and warranties being continuing), as follows:

(a) Lessee has or will budget and appropriate for the initial fiscal year during the Lease Term of this Agreement unobligated funds in an amount equal to the sum of the Lease Payments due during such initial fiscal year and any other amounts due under this Agreement;

(b) Lessee is a state or a duly organized and validly existing body corporate and politic and a political subdivision or agency thereof within the meaning of section 103 of the Internal Revenue Code of 1986, as amended, and the related regulations and rulings thereunder (the *"Code"*);

(c) Lessee will exercise its best efforts to preserve and keep in full force and effect its existence as a body corporate and politic;

(d) Lessee is authorized under the Act and laws of the State to enter into this Agreement and the transactions described herein and to perform all of its obligations hereunder;

(e) Lessee has duly authorized the execution and delivery of this Agreement under the terms and provisions of the ordinance of its City Council or by other appropriate official approval, and further represents, covenants and warrants that all requirements have been met and procedures have occurred in order to ensure the enforceability of this Agreement against Lessee, and that this Agreement is a legal, valid and binding obligation of Lessee, enforceable in accordance with its terms, except to the extent limited by bankruptcy, reorganization or other laws of general application relating to effecting the enforcement of creditors' rights, and acknowledges that Lessee has granted to Lessor a security interest in the Equipment; and that Lessee has complied with any applicable public bidding/proposal requirements with respect to this Agreement and the Equipment;

(f) Lessee is not in material breach of or in default under any constitutional provision, applicable law or administrative rule or regulation of the State, the United States, or of any department, division, agency or instrumentality of either thereof or any applicable court or administrative decree or order, or in material breach of or in default under any loan agreement, note, ordinance, resolution, indenture, contract, agreement or other instrument to which Lessee is a party or to which Lessee or any property or assets of Lessee is otherwise subject or bound which in any material way, directly or indirectly, affects Lessee's entering into this Agreement, or the validity thereof, the validity or adoption of the ordinance authorizing Lessee to enter into this Agreement, the execution and delivery of this Agreement or other instruments contemplated thereby to which Lessee is a party, and compliance with the provisions of each thereof will not conflict with or constitute a material breach of or default under any constitutional provision, applicable law or administrative rule or regulation of the State, the United States, or of any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order, or a material breach of or in default under any loan agreement, note, ordinance, resolution, indenture, contract, agreement or other instrument to which Lessee is a party or to which Lessee or any of the property or assets of Lessee is otherwise subject or bound;

(g) Lessee shall cause to be executed and delivered in connection with Schedule A issued hereunder an opinion of its counsel and an applicable IRS Form 8038-G (or, if the Total Contract Price of the Equipment is less than one hundred thousand ($100,000) dollars an IRS Form 8038-GC) in form and substance reasonably satisfactory to Lessor and its counsel; and shall cause such Form 8038-G to be filed with the Internal Revenue Service not later than the fifteenth (15th) day of the second month following the end of the calendar quarter during which Schedule A was issued;

(h) Lessee has been fully authorized to execute and deliver this Agreement under the ordinance of its City Council, and by any other appropriate official approval, and further represents, warrants and covenants that all requirements have been met, and all procedures have taken place, in order to ensure the enforceability of this Agreement, has complied with all applicable public bidding/proposal requirements, if any, with respect to this Agreement, including the lease and the acquisition by Lessee of the Equipment hereunder;

(i) The Equipment is, and during the period this Agreement is in force will remain, personal property and, when subjected to use by Lessee hereunder, will not be or become fixtures under Texas law;

(j) During the Lease Term, except as otherwise permitted by this Agreement, the Equipment shall be used by Lessee only for the purpose of performing services related to its status as a political subdivision of the State, and consistent with the permissible scope of Lessee's authority and will not be used in an unrelated trade or business of Lessee or in the trade or business of any person or entity other than Lessee;

(k) Lessee assumes full responsibility for the safety and any consequences of lack of safety with respect to the operation and maintenance of the Equipment while Lessee has the right to possession or control of the Equipment;

(l) Lessee acknowledges that Lessor is acting as a financing source only with respect to the Equipment which has been selected, and the related specifications developed, by Lessee;

(m) Lessee shall promptly and duly execute and deliver to Lessor such further documents, instruments and assurances and take such further action as Lessor may from time to time reasonably request in order to carry out the intent and purpose of this Agreement and Schedule A hereunder and to establish and protect the rights and remedies created or intended to be created in favor of Lessor hereunder. Lessor will prepare at Lessee's expense such documents or instruments for execution by Lessee;

(n) Subject to Lessee's right not to appropriate, Lessee will use its best efforts to budget and appropriate for each fiscal year during the Lease Term of this Agreement unobligated funds in an amount equal to the sum of the Lease Payments due during such fiscal year and any other amounts due under this Agreement;

(o) Lessee's obligations under this Agreement are obligations payable from Lessee's budget and are obligations of the general fund;

(p) The payment of the Lease Payments or any portion thereof is not (under the terms of any lease or any underlying arrangement) directly or indirectly (i) secured by any interest in property used or to be used in any activity carried on by any person other than a state or local government unit or payments in respect of such property; or (ii) on a present value basis, derived from payments (whether or not to Lessee) in respect of property, or borrowed money, used or to be used in any activity carried on by any person other than a state or local governmental unit. The Equipment will not be used, directly or indirectly, in any activity carried on by any person other than a state or local government unit. No portion of the Total Contract Price for the Equipment will be used, directly or indirectly, to make or finance loans to any person other than Lessee. Lessee has not entered into any management or other service contract with respect to the use and operation of the Equipment, other than maintenance agreements; and

(q) The representations above shall be deemed to be made on and as of the beginning date of the Lease Term of Schedule A hereunder.

9.2. Federal Income Tax Exclusion.

(a) General. Lessee intends that the interest on the Lease be excludable from gross income for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Code and the applicable Treasury Regulations (the "Regulations"). Lessee covenants and agrees not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, would (i) cause the interest on the Lease to be includable in gross income, as defined in Section 61 of the Code, for federal income tax purposes or (ii) result in the violation of or failure to satisfy any provision of Section 103 and 141 through 150 of the Code and the applicable Regulations. In particular, Lessee covenants and agrees to comply with each requirement of this Section 9.2; provided, however, that Lessee will not be required to comply with any particular requirement of this Section 9.2 if Lessee has received an opinion of nationally recognized bond counsel ("Counsel's Opinion") that (i) such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Lease or (ii) compliance with some other requirement set forth in this Section 9.2 will satisfy the applicable requirements of the Code and the Regulations, in which case compliance with such other requirement specified in such Counsel's Opinion will constitute compliance with the corresponding requirement specified in this Section 9.2.

(b) No Private Activity Bond. Lessee covenants and agrees that it will make such use of the proceeds of the Lease, including interest or other investment income derived from the Lease proceeds, regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may be required so that the Lease will not be a "private activity bond" within the meaning of Section 141 of the Code and the Regulations promulgated thereunder. Moreover, Lessee will certify, through an authorized officer, employee or agent, based upon all facts and estimates known or reasonably expected to be in existence on the date the Lease is delivered, that the proceeds of the Lease will not be used in a manner that would cause the Lease to be a "private activity bond" within the meaning of Section 141 of the Code and the Regulations promulgated thereunder.

(c) No Federal Guarantee. Lessee covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the Lease to be "federally guaranteed" within the meaning of Section 149(b) of the Code and the applicable Regulations thereunder, except as permitted by Section 149(b)(3) of the Code and such Regulations.

(d) No Hedge Bond. Lessee covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the Lease to be a "hedge bond" within the meaning of Section 149(g) of the Code and the applicable Regulations thereunder.

(e) No Arbitrage. Lessee covenants and agrees that it will make such use of the proceeds of the Lease, including interest or other investment income derived from the Lease, regulate investments of proceeds of the Lease, and take such other and further action as may be required so that the Lease will not be an "arbitrage bond" within the meaning of Section 148(a) of the Code and the applicable Regulations promulgated thereunder. Moreover, Lessee will certify, through an authorized officer, employee or agent, based upon all facts and estimates

known or reasonably expected to be in existence on the date the Lease is delivered, that proceeds of the Lease will not be used in a manner that would cause the Lease to be "arbitrage bonds" within the meaning of Section 148(a) of the Code and the applicable Regulations promulgated thereunder.

(f) Arbitrage Rebate. If Lessee does not qualify for an exception to the requirements of Section 148(f) of the Code relating to the required rebate to the United States, Lessee will take all necessary steps to comply with the requirement that certain amounts earned by Lessee on the investment of the "gross proceeds" of the Lease (within the meaning of Section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, Lessee will (i) maintain records regarding the investment of the gross proceeds of the Lease as may be required to calculate the amount earned on the investment of the gross proceeds of the Lease separately from records of amounts on deposit in the funds and accounts of Lessee allocable to other bond issues of Lessee or moneys that do not represent gross proceeds of any bonds of Lessee, (ii) determine at such times as are required by applicable Regulations, the amount earned from the investment of the gross proceeds of the Lease that is required to be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the delivery of the Lease, or on such other dates as may be permitted under applicable Regulations, all amounts required to be rebated to the federal government. Further, Lessee will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Lease that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm's length and had the yield on the issue not been relevant to either party.

(g) Information Reporting. Lessee covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Lease is issued, an information statement concerning the Lease, all under and in accordance with Section 149(e) of the Code and the applicable Regulations promulgated thereunder.

(h) Record Retention. Lessee will retain all pertinent and material records relating to the use and expenditure of the proceeds of the Lease until three years after the final payment of the Lease Payments is made, or such shorter period as authorized by subsequent guidance issued by the Department of the Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of Lessee to retrieve and reproduce such books and records in the event of an examination of the Lease by the Internal Revenue Service.

(i) Deliberate Actions. Lessee will not take a deliberate action (as defined in Section 1.141-2(d)(3) of the Regulations) that causes the Lease to fail to meet any requirement of Section 141 of the Code after the issue date of the Finance Contract unless an appropriate remedial action is permitted by Section 1.141-12 of the Regulations, Lessee takes such remedial

action and a Counsel's Opinion is obtained that such remedial action cures any failure to meet the requirements of Section 141 of the Code.

(j) Continuing Obligation. Notwithstanding any other provision of this Agreement, Lessee's obligations under the covenants and provisions of this Section 9.2 will survive the defeasance and discharge of the Lease for as long as such matters are relevant to the exclusion from gross income of interest on the Lease for federal income tax purposes.

SECTION 10. REPRESENTATIONS, WARRANTIES AND COVENANTS OF LESSOR.

10.1. Lessor's Representations, Warranties and Covenants. Lessor warrants and represents that it has the power and authority to enter into and perform this Agreement; this Agreement, when executed and delivered, will be a valid and binding obligation of Lessor, enforceable in accordance with its terms, subject to applicable laws.

SECTION 11. DISCLAIMER OF WARRANTIES.

11.1. Disclaimer of Warranties. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, COMPLIANCE WITH SPECIFICATIONS, QUALITY OF MATERIALS OR WORKMANSHIP, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, USE OR OPERATION, SAFETY, PATENT, TRADEMARK OR COPYRIGHT INFRINGEMENT, TITLE OR FITNESS FOR USE OF THE EQUIPMENT, OR ANY COMPONENT THEREOF OR ANY OTHER WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT THERETO AND, AS TO LESSOR, LESSEE'S LEASE AND PURCHASE OF THE EQUIPMENT SHALL BE ON AN "AS IS" BASIS. All such risks, as between Lessor and Lessee, are to be borne by Lessee. Without limiting the foregoing Lessor shall have no responsibility or liability to Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by the Equipment, any inadequacy thereof, any deficiency or defect (latent or otherwise) therein, or any other circumstances in connection therewith; (ii) the use, operation or performance of the Equipment or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of the Equipment. If, and so long as, no default exists under this Agreement and Schedule A, Lessee shall be, and hereby is, authorized during the term of Schedule A to assert and enforce, at Lessee's sole cost and expense, from time to time, in the name of and for the account of Lessor and/or Lessee, as their interests may appear, whatever claims and rights Lessee or Lessor may have against the Vendor or any prior title holder or possessor of the Equipment. In no event shall Lessor be liable for any loss or damage in connection with or arising out of this Agreement, Schedule A, the Equipment, or the existence, furnishing, functioning or Lessee's use of any item or products or services provided for in this Agreement.

11.2. Vendor's Warranties. Lessor hereby irrevocably appoints Lessee its agent and attorney-in-fact during the Lease Term, so long as Lessee shall not be in default hereunder, to assert from time to time whatever claims and rights including warranties of the Equipment which

Lessor may have against the Vendor. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against the Vendor of the Equipment and any other entities involved in the chain of production and distribution of the Equipment, and not against Lessor, nor shall such matter have any effect whatsoever on the rights and obligations of Lessor with respect to this Agreement, including the right to receive full and timely payments under this Agreement. **LESSEE EXPRESSLY ACKNOWLEDGES THAT IN LESSOR'S CAPACITY AS LESSOR HEREUNDER, LESSOR MAKES, AND HAS MADE HEREUNDER, NO REPRESENTATION OR WARRANTY WHATSOEVER AS TO THE EXISTENCE OR AVAILABILITY OF SUCH WARRANTIES OF THE VENDOR OF THE EQUIPMENT.**

SECTION 12. DEFAULT AND REMEDIES.

12.1. Definition of Default. Lessee shall be deemed to be in default hereunder upon the happening of any of the following events of default (*"Events of Default"*):

(a) Lessee shall fail to make any Lease Payment or any other sum when due or within ten (10) days thereafter or shall fail to perform or observe any term or condition or covenant of this Agreement or Schedule A hereto; or

(b) Proceedings under any bankruptcy, insolvency, reorganization or similar legislation shall be instituted by or against Lessee, or a receiver, custodian or similar officer shall be appointed for Lessee or any of its property, and such proceedings or appointments shall not be vacated, or fully stayed, within twenty (20) days after the institution or occurrence thereof; or

(c) Any representation, warranty or covenant made by Lessee is found to be incorrect or misleading in any material respect on the date made; or

(d) An attachment, levy or execution is levied upon or against the Equipment; or

(e) Any insurance carrier cancels any insurance on the Equipment without Lessee first providing replacement coverage; or

(f) The Equipment or any part thereof is abused, illegally used, misused, lost, destroyed or damaged beyond repair; or

(g) Lessee sells, assigns, subleases, or otherwise transfers or encumbers all or any part of its interest in this Agreement or the Equipment without Lessor's prior written consent.

12.2. Remedies on Default. Upon the occurrence of any Event of Default, Lessor may exercise any one or more of the following remedies as Lessor in its sole discretion shall elect:

(a) To declare the entire amount of Lease Payments hereunder immediately past due and payable as to any or all items of Equipment without any further notice or demand to Lessee;

(b) Proceed by appropriate court action to enforce performance by Lessee of the applicable covenants of this Agreement or to recover for the breach thereof including the payment of Lease Payments due or to become due hereunder or any deficiency thereof following disposition of the Equipment;

(c) With or without terminating this Agreement, enter and take possession of the Equipment wherever situated, without any court order or other process of law and without liability for entering the premises, and sell, lease, sublease or make other disposition of the same in a commercially reasonable manner for the account of Lessee, and apply the proceeds of any such sale, lease, sublease, or other disposition, after deducting all costs and expenses, excluding court costs and reasonable attorney's fees, incurred with the recovery, repair, storage and other sale, lease, sublease or other disposition costs, toward the balance due under this Agreement;

(d) Terminate this Agreement as to all or any part of the Equipment and use, operate, lease or hold the Equipment as Lessor in its sole discretion may decide;

(e) Require Lessee to use or operate the Equipment for the purpose of preserving it;

(f) Proceed by appropriate court action to enforce performance by Lessee of the applicable covenants of this Agreement or to recover for the breach thereof, including the payment of all amounts due from Lessee; and/or

(g) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights with respect to the Equipment.

12.3. <u>Further Remedies; No Remedy Exclusive</u>. A termination under Section 12.2 shall occur only upon notice by Lessor to Lessee and only with respect to such part of the Equipment as Lessor specifically elects to terminate in such notice. Except as to those parts of the Equipment with respect to which there is a termination, this Agreement shall remain in full force and effect and Lessee shall be and remain liable for the full performance of all its obligations hereunder. All remedies of Lessor are cumulative and may be exercised concurrently or separately and shall survive the termination of this Agreement. The exercise of any one remedy shall not be deemed an election of such remedy or preclude the exercise of any other remedy.

12.4. <u>Return of Equipment: Release of Lessee's Interest</u>. Upon termination of any Lease prior to the payment of all related Lease Payments or the applicable Prepayment Price (whether as result of Non-Appropriation or Event of Default), Lessee shall, voluntarily return the Equipment to Lessor within a 300 mile radius of the City of San Antonio, Texas and within the State of Texas, AS DESIGNAGED BY LESSOR, or such other location as the parties may from time to time reasonably agree or specify to the contrary in any Lease hereunder, with Lessee bearing such costs and expenses up to the point of redelivery, and thereupon, any and all interest Lessee may have in the Equipment shall immediately revert to Lessor, without any further act of conveyance and such Equipment shall be transferred to Lessor with full and unencumbered legal title and ownership. Lessee shall have no further interest therein, and shall execute any and all reasonable documents, if commercially reasonable, as to evidence the

passage of legal title and ownership in Lessor. However and if the Lessee refuses to voluntarily return such Equipment in the manner so designated in this Section the Lessor may repossess the Equipment without demand, notice, legal order, or court process, but in accordance with all applicable laws of the State, and charge the Lessee for all such costs associated with involuntary repossession. Following reasonable prior notice to the Lessee, Lessor reserves the right to require testing and repair to the related Equipment in the event the Equipment does not meet the condition required by Section 6.1 herein.

SECTION 13. ASSIGNMENT, SUBLEASING AND SELLING.

13.1. No Sale, Assignment or Subleasing by Lessee. Lessee agrees not to sell, assign, lease, sublease, pledge or otherwise encumber or suffer a lien or encumbrance upon or against any interest in this Agreement or the Equipment (except for the lien and security interest of Lessor therein) or to remove the Equipment from its place of installation without Lessor's prior written consent which shall not be unreasonably withheld.

13.2. Assignment by Lessor. Lessor's right, title and interest in the Master Lease, Schedule A, and to Lease Payments and any other amounts payable by Lessee under this Agreement and Schedule A, its security interest in the Equipment subject to Schedule A, the Equipment Acquisition Account and all proceeds therefrom may be assigned and reassigned in whole or in part to one or more assignees by Lessor, without the necessity of obtaining the consent of Lessee; provided, however, that any such assignment, transfer or conveyance to a trustee for the benefit of owners of certificates of participation shall be made with notice to Lessee and in a manner that conforms to any applicable State law. Lessor, including any subsequent assignee, will maintain the exemption from the approval of the Texas Attorney General described herein in Section 16.11 and hereby covenants not to take any action which will convert the Agreement into a public security pursuant to the provisions of Chapter 1201, as amended, Texas Government Code, and require the approval of the Texas Attorney General, including any action to "participate" or issue certificates of participation in the Lessee's Lease Payment rental stream. Nothing in this Section shall be construed, however, to prevent Lessor from executing any such assignment, transfer, or conveyance that does not involve funding through the use of certificates of participation within the meaning of applicable State law, including any such assignment, transfer or conveyance as part of a multiple asset pool to a partnership or trust, interests in which are offered and sold in a private placement or limited offering only to investors whom Lessor reasonably believes are qualified institutional buyers or accredited investors within the meaning of the applicable federal securities law; provided further, however, that in any event, Lessee shall not be required to make Lease Payments, to send notices or to otherwise deal with respect to matters arising under a Lease with or to more than one individual or entity. No assignment, transfer or conveyance permitted by this Section shall be effective until Lessee shall have received a written notice of assignment that discloses the name and address of each such assignee; provided, however, that if such assignment is made to a bank or trust company as trustee or paying agent for owners of certificates of participation, trust certificates or partnership interests with respect to the Lease Payments payable under this Agreement and Schedule A, it shall thereafter be sufficient that Lessee receives notice of the name and address of the bank or trust company as trustee or paying agent. During the Lease Term, Lessee shall keep, or cause to be kept, a complete and accurate record of all such assignments in form necessary to comply with section 149 of the Code. Lessee shall retain all

such notices as a register of all assignees and shall make all payments to the assignee designated in such register. Lessee shall not have the right to and shall not assert against any assignee any claim, counterclaim or other right Lessee may have against Lessor or the Vendor. The option granted in this Section does not permit the assignment of less than all of Lessor's interests in the Equipment listed in Schedule A.

SECTION 14. APPLICATION OF LEASE PROCEEDS; ACCEPTANCE.

14.1. Application of Lease Proceeds. At the Closing of Schedule A hereunder, Lessor shall pay or provide the Lease Proceeds in the amount and to Lessee for deposit into the Equipment Acquisition Account.

14.2. Equipment Acquisition Account. Lessor and Lessee agree that in order to ensure that money sufficient to pay the Total Contract Price of the Equipment under Schedule A hereto will be available for the purpose of acquiring such Equipment when required, on or before the Lease Term Commencement Date, Lessor shall, subject to Section 2.1 hereof, deposit or cause to be deposited into the Equipment Acquisition Account established pursuant to the Acquisition Fund Agreement executed in connection herewith the sum set forth on Schedule A. The money on hand from time to time in the Equipment Acquisition Account shall be held in trust for the benefit of Lessee and Lessor. Pending payment of the Total Contract Price or any portion thereof, such money held in the Equipment Acquisition Account may be invested by Lessee in Authorized Investments. Any balance remaining in the Equipment Acquisition Account after disbursement of the Total Contract Price or after an Event of Default has occurred, or this Agreement is terminated for non-appropriation of funds in accordance with Section 15 hereof, shall be applied as a prepayment to the Lease Payments, provided that no premium shall be due from Lessee as a result of such prepayment under this Section.

14.3. Completion of Acquisition of the Equipment. Lessee shall cause the Equipment to be acquired and installed free of any liens or claims of others except for this Agreement. Completion of the acquisition and installation of the Equipment identified by Schedule A shall be evidenced by Lessee's filing with Lessor a final Acceptance Certificate. Lessor shall and is hereby directed by Lessee to disburse Lease Proceeds from the Equipment Acquisition Account to pay the Vendor the purchase price, or any portion thereof, for the Equipment, or any portion thereof, only upon the receipt by Lessor of a fully executed Acceptance Certificate of Lessee and the satisfaction of other conditions in the Acquisition Fund Agreement. At such time, Lessee and Lessor shall execute and deliver such documents or assurances, including UCC filings or amendments thereto, as may be necessary to reflect accurately the items of Equipment financed by the Lease Proceeds derived from such Schedule A.

SECTION 15. TERMINATION ON ACCOUNT OF NON-APPROPRIATION OF FUNDS.

15.1. Lessee's Termination. Notwithstanding any contrary provision in this Agreement, Lessee shall be deemed to have elected not to renew Schedule A hereunder as to all (but not less than all) of the Equipment that is the subject of Schedule A, pursuant to Schedule A,

and Schedule A shall terminate as of the end of the then current fiscal year, if all the following events shall have occurred:

(a) Funds were not appropriated for the next succeeding fiscal year during the term of Schedule A in an amount equal to the sum of the Lease Payments due during such fiscal year for the acquisition of services and functions which in whole or in part are essentially the same services and functions for the performance of which the Equipment was leased;

(b) Written notice thereof was given to Lessor in accordance with Section 3.4; and

(c) Lessee has paid all Lease Payments due during the fiscal year immediately preceding the fiscal year of which sufficient funds were not appropriated, and an amount equal to the daily equivalent of the Lease Payments for each day during the period from the day after the due date of the last Lease Payment during such fiscal year to the end of such fiscal year.

15.2. Return of Equipment Upon Termination. If this Agreement or Schedule A is terminated because of non-appropriation of funds in accordance with the provisions of this Section, Lessee shall return the Equipment to Lessor within a 300 mile radius of the City of San Antonio, Texas and within the State of Texas, AS DESIGNATED BY LESSOR, or such other location as the parties may from time to time reasonably agree or specify to the contrary in any Lease hereunder, with Lessee bearing such costs and expenses up to the point of redelivery, and thereupon, any and all interest Lessee may have in the Equipment shall immediately revert to Lessor, without any further act of conveyance and such Equipment shall be transferred to Lessor with full and unencumbered legal title and ownership. Lessee shall have no further interest therein, and shall execute any and all reasonable documents, if commercially reasonable, as to evidence the passage of legal title and ownership in Lessor.

SECTION 16. MISCELLANEOUS.

16.1. Waiver. No covenant or condition of this Agreement can be waived except by the written consent of the parties. Any failure of a party to require strict performance by the other party or any waiver by a party of any terms, covenants or agreements herein shall not be construed as a waiver of any other breach of the same or of any other term, covenant or agreement herein.

16.2. Severability. In the event any portion of this Agreement shall be determined to be invalid under any applicable law, such provision shall be deemed void and the remainder of this Agreement shall continue in full force and effect.

16.3. Governing Law and Venue. This Agreement shall be construed, interpreted and enforced in accordance with the laws of the State. Venue for any legal proceeding relating to this Agreement shall lie in Bexar County, Texas.

16.4. Notice. All notices made or required to be given pursuant to this Agreement shall be in writing and shall be deemed duly served if and when mailed, certified or registered mail, postage prepaid, return receipt requested, to the other party at its address set forth in Schedule A hereunder or at such other address as such party shall hereafter designate in writing.

16.5. **Section Headings**. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

16.6. **Entire Agreement**. This Agreement, together with the schedules hereto, constitutes the entire agreement between the parties and this Agreement shall not be modified, amended, altered or changed except by written agreement signed by the parties.

16.7. **Binding Effect**. Subject to the specific provisions of this Agreement, this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

16.8. **Time**. Time is of the essence of this Agreement, Schedule A, and the provisions therein.

16.9. **Notice of Final Agreement. THIS WRITTEN AGREEMENT AND ANY OTHER DOCUMENTS EXECUTED IN CONNECTION HEREWITH REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NOT UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.**

16.10. **Not Bank Qualified.** Lessor acknowledges and recognizes that Lessee will issue more than $10,000,000.00 in tax-exempt debt in 2016. Accordingly, the Agreement will not be designated as a "qualified tax-exempt obligation" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended.

16.11. **No Texas Attorney General Approval.** The Agreement is exempt from review by the Texas Attorney General pursuant to the provisions of Section 1202.007, as amended, Texas Government Code.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

BANC OF AMERICA PUBLIC CAPITAL CORP,
as Lessor

By: _____

Name: _____

Title: _____

CITY OF SAN ANTONIO, TEXAS,
as Lessee

By: _____

Name: Troy Elliott_____

Title: Finance Director_____

EXHIBIT A

FORM OF
SCHEDULE A
TO MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT
by and between
BANC OF AMERICA PUBLIC CAPITAL CORP,
as Lessor
and
CITY OF SAN ANTONIO, TEXAS,
as Lessee

Dated as of February 17, 2016

THIS SCHEDULE A, to the **MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT** identified above (the *"Master Lease"*) is entered into as of February 17, 2016, by and between **BANC OF AMERICA PUBLIC CAPITAL CORP**, as lessor (*"Lessor"*) and the **CITY OF SAN ANTONIO, TEXAS**, as lessee (*"Lessee"*). All of the provisions of the Master Lease are incorporated herein by reference and capitalized terms used herein and not defined shall have the meanings assigned them in the Master Lease.

1. The Master Lease and this Schedule A jointly constitute an Agreement (this *"Agreement"*). Lessor hereby leases and lets to Lessee, Lessee leases from Lessor, subject to the provisions of the Agreement, the Equipment identified below:

Item (Quantity)	Description, Make, Model
18	**Refuse Collection Trucks**
71,762	**64 Gallon Carts**
16,832	**48 Gallon Carts**
255,590	**96 Gallon Organic Carts**

Insert Quantity and Description of Equipment

The Total Contract Price for this Schedule A is $24,030,918.00 which is composed of $18,945,936.00 for the Refuse Containers and $5,084,982.00 for the Refuse Collection Trucks.

The Maximum Contract Amount for this Schedule A is $24,030,918.00.

As of the date of this Schedule A, Lessee has not taken possession of the Equipment shown above. It is expected that by three (3) years from the date of this Schedule A, Lessee will have taken possession of all items shown above and that the Lessee's Acceptance Certificate, or Acceptance Certificates, will be signed by Lessee and delivered to Lessor on or before three (3) years from the date of this Schedule A.

2. Lessee hereby certifies that the description of the Equipment set forth above is accurate and reasonably identifies it for UCC purposes. The Equipment identified in item one (1) above shall be located at various locations in the City of San Antonio, Texas, County of Bexar.

3. The following terms are applicable to the lease/purchase of the Equipment set forth in this Schedule A:

(a) Lease Term Commencement Date: The date of execution and delivery of this Schedule A, including Attachments B through K thereto, and the satisfaction of all conditions of the Master Lease.

(b) Lease Term: The period beginning with the Lease Term Commencement Date and shall terminate in accordance with section 3.3 of the Master Lease Agreement.

(c) Taxable Rate. The Taxable Rate of interest is 1.09% for the Refuse Containers and 1.29% for the Refuse Collection Trucks.

(d) Acquisition Period: The period beginning with the Lease Term Commencement Date and continuing through and including August 17, 2017.

4. The Lease Proceeds which Lessor shall pay or provide to Lessee in connection with this Schedule A, is $24,030,918.00 of which $_____22,500_.00 is for payment of the costs of issuance incurred by Lessee. Lessor has no issuance costs. Such Lease Proceeds shall be deposited into the Equipment Acquisition Account and disbursed for payments of the Total Contract Price of the Equipment, or portions thereof, upon receipt by Lessor of an Acceptance Certificate, or Acceptance Certificates, executed by Lessee.

5. Interest on the Lease Proceeds attributable to the Refuse Containers shall accrue from the date hereof and the payment dates and Lease Payment amounts (including the principal and interest components thereof, calculated at the Interest Rate of 1.09% per annum are as follows:

See Attachment L to Schedule A

6. Interest on the Lease Proceeds attributable to the Refuse Collection Trucks and Brush Collection Truck shall accrue from the date hereof and the payment dates and Lease Payment amounts (including the principal and interest components thereof, calculated at the Interest Rate of 1.29% per annum are as follows:

See Attachment M to Schedule A

7. Until Lessee receives written notification to the contrary, all payments due under the Master Lease and this Schedule A, including but not limited to Lease Payments, are to be paid to and all notices are to be sent to the following respective addresses:

The address for notices is:

Banc of America Public Capital Corp
555 California Street, 4th Floor
San Francisco, CA 94104
Attention: Contract Administration
Mail Code: CA5-705-04-01

City of San Antonio, Texas
Finance Department
111 Soledad, 5th Floor
San Antonio, TX 78205
Attention: Division of Financial Management

The address for payments is:

Banc of America Public Capital Corp
P.O. Box 100918
Atlanta, Georgia 30384-0918

8. Lessee further represents, covenants and warrants that it will not take, cause to be taken or fail to take any action which will cause the interest component of any Lease Payments to be or become subject to federal income taxation under the Code and that all of its representations, covenants and warranties of Lessee contained in the Master Lease were true and accurate as of the date made, remain true and accurate as of the date of this Schedule A and are hereby reaffirmed.

9. Lessee shall deliver or cause to be delivered an opinion of counsel concurrently with the execution and delivery of this Schedule A in the form of Attachment G to Exhibit A of the Master Lease and execute an IRS Form 8038-G (or, IRS Form 8038-GC if the Total Contract Price of the Equipment is less than one hundred thousand ($100,000) dollars substantially in the form of Attachment H to Exhibit A of the Master Lease.

10. Lessee shall deliver or cause to be delivered concurrently with the execution and delivery of Schedule A, documents in the respective forms of Attachments B through K hereto. Lessee shall deliver its Acceptance Certificate, or Acceptance Certificates, in the form of Attachment A hereto in accordance with the terms of Section 14 of the Master Lease.

11. Attached hereto as Attachment B and incorporated herein by reference is an original Essential Use Certificate executed by an Authorized Officer of Lessee.

12. Attached hereto as Attachment C and incorporated herein by reference is an original Certificate of Appropriation executed by an Authorized Officer of Lessee.

13. Attached hereto as Attachment D and incorporated herein by reference is an original General Certificate, executed by Authorized Officers of Lessee.

14. Attached hereto as Attachment E and incorporated herein by reference is an original Certificate of City Clerk, executed by Authorized Officers of Lessee.

15. Attached hereto as Attachment F and incorporated herein by reference is an original Signature and No-Litigation Certificate, executed by Authorized Officers of Lessee.

16. Attached hereto as Attachment G and incorporated herein by reference is an original opinion of legal counsel to Lessee relating to the Agreement and this Schedule A. Lessor may, in its sole discretion, waive this requirement.

17. Attached hereto as Attachment H is an IRS Form 8038-G (or IRS Form 8038-GC if the Total Contract Price of the Equipment is less than one hundred thousand ($100,000) dollars of Lessee.

18. Attached hereto as Attachment I is an original Cross-Receipt executed by an Authorized Officer of Lessee and Lessor.

19. Attached hereto as Attachment J is an original Federal Tax Certificate executed by an Authorized Officer of Lessee.

20. Attached hereto as Attachment K are copies of executed and filed financing statement(s) evidencing Lessor's security interest in the Equipment. Provided, however, Lessee may deliver one or more financing statement(s), or amended financing statement(s) evidencing Lessor's security interest in the Equipment as reflected on each Acceptance Certificate.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereunto affix their signatures to this Schedule A as of the day and year first written above.

BANC OF AMERICA PUBLIC CAPITAL CORP,
as Lessor

By: _____

Name: _____

Title: _____

CITY OF SAN ANTONIO, TEXAS,
as Lessee

By: _____

Name: Troy Elliott

Title: Finance Director

ATTACHMENT A TO SCHEDULE A

FORM OF
LESSEE'S ACCEPTANCE CERTIFICATE

Part I:

The **CITY OF SAN ANTONIO, TEXAS** (*"Lessee"*), as lessee under that certain **MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT** dated as of February 17, 2016, and under Schedule A, thereto dated as of February 17, 2016 (collectively, the *"Agreement"*), with **BANC OF AMERICA PUBLIC CAPITAL CORP,** as lessor (*"Lessor"*) hereby acknowledges receipt in good condition of all of the Equipment described in Part II below (the *"Equipment"*), hereby accepts such Equipment and hereby certifies:

(a) That Lessee has fully and satisfactorily performed all covenants and conditions to be performed by it under the Agreement with regard to such Equipment; provided, however, that this certification does not constitute a waiver by Lessee of any rights against third parties, including the Vendor(s) under the Purchase Agreement(s) (as such terms are defined in the Agreement) with respect to such Equipment, which exist at the date hereof or which may subsequently come into being; and

(b) That such Equipment is fully insured in accordance with Section 6.7 of the Agreement.

Part II:

The Equipment which is governed by the Agreement identified in Part I above is as follows:

Item (Quantity)	Description, Make, Model	Total Contract Price

DATED: _____, 20____.

CITY OF SAN ANTONIO, TEXAS,
as Lessee

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

By: _____

Name: Troy Elliott

Title: Chief Financial Officer

ATTACHMENT B TO SCHEDULE A

FORM OF
ESSENTIAL USE CERTIFICATE

I, the undersigned Authorized Officer of the **CITY OF SAN ANTONIO, TEXAS** *("Lessee")* acting in my capacity as such, hereby certify with respect to the **MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT,** dated as of February 17, 2016 by and between Lessee, as lessee, and **BANC OF AMERICA PUBLIC CAPITAL CORP**, as lessor (*"Lessor"*) and Schedule A, dated as of February 17, 2016, issued thereunder (*"Schedule A"*), that the Equipment referenced in Schedule A shall be used for the following purpose:

In connection with the operation of the Lessee's refuse and brush collection operations within its Solid Waste Management Department, at various locations within and without the boundaries of Lessee.

The undersigned hereby further certify and represent that the use of the Equipment is essential to the proper, efficient and economic operation of Lessee.

DATED: February 17, 2016.

CITY OF SAN ANTONIO, TEXAS,
as Lessee

By: _____

Name: Troy Elliott

Title: Finance Director

ATTACHMENT C TO SCHEDULE A, NO. ___

FORM OF
CERTIFICATE OF APPROPRIATION

I, the undersigned Authorized Officer of the **CITY OF SAN ANTONIO, TEXAS** (*"Lessee"*), hereby certify that all Lease Payments (as defined in the Agreement) presently due under that certain **MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT** (*"Agreement"*) dated as of February 17, 2016, between Lessee and **BANC OF AMERICA PUBLIC CAPITAL CORP** (*"Lessor"*), and Schedule A, dated as of February 17, 2016 thereunder (*"Schedule A"*) for the fiscal year ending September 30, 2016 are available, unexhausted, unencumbered appropriation of unobligated funds for Lessee, representing the sum of its Lease Payment obligations owing under the Agreement and Schedule A during such fiscal year.

IN WITNESS WHEREOF, I have set my hand this 12th day of February, 2016, to be effective from and after February 17, 2016.

CITY OF SAN ANTONIO, TEXAS,
as Lessee

By: _____

Name: Troy Elliott

Title: Finance Director

ATTACHMENT D TO SCHEDULE A

FORM OF
GENERAL CERTIFICATE
OF
CITY OF SAN ANTONIO, TEXAS

I, the undersigned Authorized Officer of the **CITY OF SAN ANTONIO, TEXAS**, (*"Lessee"*) acting in my official capacity as such, hereby certify with respect to the **MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT**, dated as of February 17, 2016, (the *"Master Lease")* by and between Lessee, as lessee, and **BANC OF AMERICA PUBLIC CAPITAL CORP**, as lessor (*"Lessor"*) and Schedule A issued thereunder (the Master Lease and Schedule A collectively referred to as the *"Agreement"*), as follows:

1. That Lessee is a body corporate and politic and a Texas home rule municipality, and was validly created and exists under the laws and the Constitution of the State of Texas and is a political subdivision or governmental agency thereof.

2. That as of the date of approval of the Master Lease and Schedule A, the following named persons constitute the members of the City Council of Lessee:

Ivy R. Taylor	Mayor
Rey Saldana	Mayor Pro Tem, District 4
Roberto C. Trevino	Councilmember, District 1
Alan E. Warrick, III	Councilmember, District 2
Rebecca Viagran	Councilmember, District 3
Shirley Gonzales	Councilmember, District 5
Ray Lopez	Councilmember, District 6
Cris Medina	Councilmember, District 7
Ron Nirenberg	Councilmember, District 8
Joe Krier	Councilmember, District 9
Michael Gallagher	Councilmember, District 10

3. The City Council of Lessee duly adopted by a majority vote the Ordinance Regarding Leasing Certain Equipment (the *"Ordinance"*) authorizing and approving the entering into the Master Lease and Schedule A to the Master Lease, at a duly called public meeting, at which a quorum was present and acting throughout; the Ordinance is in full force and effect and has not been altered, amended or repealed as of the date hereof; that said meeting was duly called and open to the public in accordance with the laws of the State of Texas.

4. The following described instruments (collectively, the *"Instruments"*), as executed and delivered or authorized by Lessee, are in substantially the same form and text as copies of such Instruments which were before and were approved or ratified by the City Council of Lessee, and which the officers of Lessee were authorized to execute and deliver for and on behalf of Lessee:

(a) Master Lease; and

(b) Schedule A (including Attachments A through M thereto).

5. To the best knowledge of the undersigned, on the date hereof, Lessee is not in default in the performance or observance of any of the covenants, conditions, agreements or provisions of the Instruments.

6. The representations and warranties of Lessee contained in the Instruments are correct on and as of the date hereof as though made on and as of such date.

IN WITNESS WHEREOF, we have duly executed this certificate this 17th day of February, 2016.

CITY OF SAN ANTONIO, TEXAS,
as Lessee

By: _____

Name: Troy Elliott

Title: Finance Director

ATTACHMENT E TO SCHEDULE A

FORM OF

CERTIFICATE OF CITY CLERK
OF
CITY OF SAN ANTONIO, TEXAS

THE UNDERSIGNED HEREBY CERTIFIES that:

1. The City of San Antonio, Texas (the "City") is a body corporate and politic and a Texas home rule municipality, and was validly created and exists under the laws and the Constitution of the State of Texas and is a political subdivision or governmental agency thereof.

2. On the 11th day of February, 2016, the City Council (the *"Council"*) of the City convened in regular session at its regular meeting place in the Municipal Plaza Building of the City (the *"Meeting"*), the duly constituted members of the Council being as follows:

Ivy R. Taylor	Mayor
Rey Saldana	Mayor Pro Tem, District 4
Roberto C. Trevino	Councilmember, District 1
Alan E. Warrick, III	Councilmember, District 2
Rebecca Viagran	Councilmember, District 3
Shirley Gonzales	Councilmember, District 5
Ray Lopez	Councilmember, District 6
Cris Medina	Councilmember, District 7
Ron Nirenberg	Councilmember, District 8
Joe Krier	Councilmember, District 9
Michael Gallagher	Councilmember, District 10

and all of such persons were present at the Meeting, except the following: _____ _____, thus constituting a quorum. Among other business considered at the Meeting, the attached Ordinance (the *"Ordinance"*) entitled:

AUTHORIZING THE MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT WITH BANC OF AMERICA PUBLIC CAPITAL CORP AND AN ESCROW AND ACCOUNT CONTROL AGREEMENT WITH BANK OF AMERICA PUBLIC CAPITAL CORP AND FROST BANK FOR THE ACQUISTION OF VARIOUS EQUIPMENT FOR THE SOLID WASTE MANAGEMENT DEPARTMENT; AUTHORIZING SCHEDULE A TO THE MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT IN THE TOTAL AMOUNT OF $24,030,918.00, AUTHORIZING THE EXECUTION OF DOCUMENTS RELATED TO THE TRANSACTION; ENACTING OTHER PROVISIONS INCIDENT AND RELATED TO THE SUBJECT AND PURPOSE OF THIS ORDINANCE; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE.

was introduced and submitted to the Council for passage and adoption. After presentation and due consideration of the Ordinance, a motion was made by Councilmember _____ that the Ordinance be finally passed and adopted in accordance with the City's Home Rule Charter. The motion was seconded by Councilmember _____ and carried by the following vote:

_____ voted "For" _____ voted Against" _____ abstained

all as shown in the official Minutes of the Council for the Meeting.

3. The attached Ordinance is a true and correct copy of the original on file in the official records of the City; the duly qualified and acting members of the Council of the City on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Council was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Ordinance would be considered; and the Meeting and deliberation of the aforesaid public business, including the subject of the Ordinance, was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the City, this ___ day of February, 2016.

_____
City Clerk, City of San Antonio, Texas

(SEAL)

CERTIFIED COPY OF ORDINANCE ADOPTED BY LESSEE'S CITY COUNCIL

[see attached]

ATTACHMENT F TO SCHEDULE A

FORM OF
SIGNATURE AND NO-LITIGATION CERTIFICATE

We, the undersigned Authorized Officers of the **CITY OF SAN ANTONIO, TEXAS** (*"Lessee"*), acting in our official capacities as such, hereby certify with respect to the **MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT**, dated as of February 17, 2016 (the *"Master Lease"*) by and between Lessee, as lessee, and **BANC OF AMERICA PUBLIC CAPITAL CORP**, as lessor (*"Lessor"*) and Schedule A, dated as of February 17, 2016 issued thereunder (the Master Lease and Schedule A, collectively referred to as the *"Agreement"*) as follows:

1. The Master Lease and Schedule A, have been duly and officially executed by the undersigned with their manual or facsimile signatures in the same manner appearing thereon, and the undersigned hereby adopt and ratify their respective signatures in the manner appearing on each side of the Master Lease and Schedule A, whether in manual or facsimile form, as the case may be, as their true, genuine, and official signature.

2. That on the date of Schedule A and on the date hereof, we were and are the duly qualified and acting officers indicated therein and authorized to execute the same.

3. The legally adopted proper and official corporate seal of Lessee is impressed or imprinted on the Master Lease and Schedule A, and impressed on this certificate.

4. No litigation of any nature is now pending before any federal or state court in Bexar County, Texas, or administrative body, or to our knowledge threatened, seeking to restrain or enjoin the issuance or delivery of the Master Lease or Schedule A, the authority or action of the City Council of Lessee relating to the issuance or delivery of the Master Lease or Schedule A, the collection of the revenues of Lessee or the imposition of rates and charges with respect to Lessee, pledged to pay the Lease Payments on Schedule A, or that would otherwise adversely affect in a material manner the financial condition of Lessee to pay the Lease Payments on Schedule A, and that neither the corporate existence or boundaries of Lessee nor the right to hold office of any member of the City Council of Lessee or any other elected or appointed official of Lessee is being contested or otherwise questioned.

5. That no petition or other request has been filed with or presented to any official of Lessee requesting any proceeding authorizing the issuance of the Master Lease or Schedule A, adopted by the City Council of Lessee be submitted to a referendum or other election; no authority or proceeding for the issuance, sale, or delivery of the Master Lease or Schedule A, passed and adopted by the City Council of Lessee, has been amended, repealed, revoked, rescinded, or otherwise modified since the date of passage thereof, and all such proceedings and authority relating to the issuance and delivery of the Master Lease or Schedule A, remain in full force and effect as of the date of this certificate.

EXECUTED AND DELIVERED as of the 17th day of February, 2016.

(SEAL)

SIGNATURE	**OFFICIAL TITLE**
_____	Mayor
_____	City Manager
_____	City Clerk
_____	Chief Financial Officer

BEFORE ME, on this day personally appeared the foregoing individuals, known to me to be the persons whose names are subscribed to the foregoing instrument.

GIVEN UNDER MY HAND AND SEAL of office, this _____ day of February, 2016.

(NOTARY SEAL)

_____
Notary Public, State of Texas

ATTACHMENT G TO SCHEDULE A

FORM OF
OPINION OF COUNSEL TO LESSEE

[see attached]

ATTACHMENT H TO SCHEDULE A

IRS Form 8038-G or IRS Form 8038-GC (if less than $100,000)

(IRS FORM 8038-G OR IRS FORM 8038-GC FOLLOW)

[see attached]

ATTACHMENT I TO SCHEDULE A

CROSS-RECEIPT

With respect to the MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT, dated as of February 17, 2016 (the *"Master Lease"*) by and between BANC OF AMERICA PUBLIC CAPITAL CORP, as lessor (*"Lessor"*) and the CITY OF SAN ANTONIO TEXAS, as lessee (*"Lessee"*) and Schedule A, dated as of February 17, 2016 to the Master Lease:

Lessor hereby acknowledges the lease to Lessee of the Equipment listed on Schedule A, to the Master Lease and receipt from Lessee of Schedule A to the Master Lease dated as of the date hereof.

Lessee hereby acknowledges the lease of the Equipment pursuant to the Master Lease and Schedule A to the Master Lease.

Dated: February 17, 2016

BANC OF AMERICA PUBLIC CAPITAL CORP,
as Lessor

By: _____

Name: _____

Title: _____

CITY OF SAN ANTONIO, TEXAS,
as Lessee

By: _____

Name: Troy Elliott

Title: Finance Director

ATTACHMENT J TO SCHEDULE A

FORM OF

FEDERAL TAX CERTIFICATE

[SEE ATTACHED]

FEDERAL TAX CERTIFICATE

I, the undersigned officer of the City of San Antonio, Texas (the "City"), make this certification for the benefit of all persons interested in the exclusion from gross income for federal income tax purposes of the interest to be paid by the City under the Master Equipment Lease/Purchase Agreement, including the schedules thereto, dated February 17, 2016 (the "Finance Agreement"), by and between the City and Banc of America Public Capital Corp (the "Lender"). The Finance Agreement is being issued in the original principal amount of $24,030,918 and delivered simultaneously with the delivery of this Federal Tax Certificate. I do hereby certify as follows in good faith as of the date hereof:

1. Definitions. Each capitalized term used in this Federal Tax Certificate has the meaning ascribed to such term below or has the meaning or is the amount, as the case may be, specified for such term in this Federal Tax Certificate or in Exhibits to this Federal Tax Certificate and for all purposes hereof has the meaning or is the amount therein specified. All such terms defined in the Code or Regulations that are not defined herein shall for all purposes hereof have the same meanings as given to those terms in the Code and Regulations unless the context clearly requires otherwise.

"***Authorizing Document***" means the ordinance adopted by the City on February 11, 2016, for purposes of authorizing the City to enter into the Finance Agreement.

"***Code***" means the Internal Revenue Code of 1986, as amended.

"***Equipment***" means the personal property acquired with the Proceeds of the Finance Agreement, as more fully described in Schedule A, Exhibit A, to the Finance Agreement.

"***Equipment Acquisition Account***" means the "City of San Antonio Tax-Exempt Equipment Lease/Purchase for Solid Waste Account (2016)" established pursuant to the Escrow Agreement into which the Escrow Agent will deposit Proceeds of the Finance Agreement received from the Lender from which the City will use to pay the costs of the Equipment.

"***Escrow Agent***" means Frost Bank, San Antonio, Texas.

"***Escrow Agreement***" means the Escrow and Account Control Agreement, made and entered into as of February 17, 2016, by and between the Lender, the City and the Escrow Agent.

"***Favorable Opinion of Bond Counsel***" means an opinion of nationally recognized bond counsel to the effect that an action, or omission of an action, does not adversely affect the excludability from gross income for federal income tax purposes of interest payable on the Finance Agreement.

"***Finance Contract***" means the Public Property Finance Contract, dated February 17, 2016, by and between the City and JPMorgan Chase Bank, N.A.

"***Finance Issue***" means, collectively, the Finance Agreement and the Finance Contract, which will be treated as a single tax issue for federal tax purposes, as set forth in the "Issue" paragraph herein.

"***Gross Proceeds***" means any Proceeds and any Replacement Proceeds.

"***Investment Proceeds***" is defined in section 1.148-1(b) of the Regulations and, generally, consists of any amounts actually or constructively received from investing Proceeds.

"***Issuance Costs***" means costs to the extent incurred in connection with, and allocable to, the issuance of an issue of obligations within the meaning of section 147(g) of the Code. For example, Issuance Costs include the following costs, but only to the extent incurred in connection with, and allocable to, the borrowing: underwriters' spread; counsel fees; financial advisory fees; fees paid to an organization to evaluate the credit quality of an issue; trustee fees; paying agent fees; bond registrar, certification and authentication fees; accounting fees; printing costs for bonds and offering documents; public approval process costs; engineering and feasibility study costs; guarantee fees, other than qualified guarantees; and similar costs.

"***Issue Date***" means, with respect to the Finance Agreement, the first date on which the City receives the purchase price in exchange for delivery of the evidence of indebtedness.

"***Issue Price***" means the "issue price" as defined in sections 1273 and 1274 of the Code, unless otherwise provided in sections 1.148-0 through 1.148-11 of the Regulations and, generally, is the price that represents the price paid by the Lender for the Finance Agreement.

"***Minor Portion***" means that portion of the Gross Proceeds of the Finance Agreement that does not exceed in the aggregate $100,000.

"***Net Proceeds***" means Proceeds, less any Proceeds invested in a "reasonably required reserve or replacement fund," as described in section 148 of the Code.

"***Original Issue Discount***" means the excess of the Stated Redemption Price at Maturity over the Issue Price.

"***Pre-Issuance Accrued Interest***" is defined in section 1.148-1(b) of the Regulations and, generally, means amounts representing interest that accrued on an obligation for a period not greater than one year before its Issue Date but only if those amounts are paid within one year after the Issue Date.

"***Proceeds***" is defined in section 1.148-1(b) of the Regulations and, generally, means any Sale Proceeds and Investment Proceeds.

"***Regulations***" means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

"***Replacement Proceeds***" has the meaning set forth in section 1.148-1(c) of the Regulations and, generally, consist of amounts that have a sufficiently direct nexus to an issue of obligations or the governmental purpose of an issue of obligations to conclude that the amounts would have been used for that governmental purpose if the Proceeds were not used or to be used for that governmental purpose.

"***Sale Proceeds***" is defined in section 1.148-1(b) of the Regulations and, generally, consists of any amounts actually or constructively received from the sale (or other disposition) of any obligation, including amounts used to pay underwriters' discount or compensation and accrued interest other than Pre-Issuance Accrued Interest. Sale Proceeds also include amounts derived from the sale of a right that is associated with any obligation and that is described in section 1.148-4(b)(4) of the Regulations.

"***Stated Redemption Price at Maturity***" means the amount fixed by the last modification of the purchase agreement and includes interest and other amounts payable at that time (other than any interest based on a fixed rate and payable unconditionally at fixed periodic intervals of one year or less during the entire term of the debt instrument).

"***Weighted Average Maturity***" has the meaning ascribed to it in the "Weighted Average Maturity" paragraph of this Federal Tax Certificate.

"***Yield***" on (a) an issue of obligations has the meaning set forth in section 1.148-4 of the Regulations and, generally, is the discount rate that when used in computing the present value of all payments of principal and interest to be paid on the obligation produces an amount equal to the Issue Price of such issue and (b) any investment has the meaning set forth in section 1.148-5 of the Regulations and, generally, is the discount rate that when used in computing the present value of all payments of principal and interest to be paid on the investment produces an amount equal to all payments for the investment.

2. Responsible Officer. I am the duly chosen, qualified and acting officer of the City for the office shown below my signature; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this Federal Tax Certificate on behalf of the City. I am the officer of the City charged, along with other officers of the City, with responsibility for issuing the Finance Agreement.

3. Code and Regulations. I am aware of the provisions of sections 141, 148, 149 and 150 of the Code and the Regulations heretofore promulgated under sections 141, 148, 149 and 150 of the Code. This Federal Tax Certificate is being executed and delivered pursuant to sections 1.141-1 through 1.141-15, 1.148-0 through 1.148-11, 1.149(b)-1, 1.149(d)-1, 1.149(g)-1, 1.150-1 and 1.150-2 of the Regulations.

4. Reasonable Expectations. The facts and estimates that are set forth in this Federal Tax Certificate are accurate. The expectations that are set forth in this Federal Tax Certificate are reasonable in light of such facts and estimates. There are no other facts or estimates that would materially change such expectations. In connection with this Federal Tax Certificate, the undersigned has to the extent necessary reviewed the certifications set forth herein with other representatives of the City as to such accuracy and reasonableness. The undersigned has also relied, to the extent appropriate, on representations set forth in the Certificate of the Lender, attached as Exhibit A to this Federal Tax Certificate. The undersigned is aware of no fact, estimate or circumstance that would create any doubt regarding the accuracy or reasonableness of all or any portion of such documents.

5. Description of Governmental Purpose. The City is issuing the Finance Agreement pursuant to the Authorizing Document to (a) fund the acquisition and delivery of the Equipment, which generally includes refuse collection trucks, 64-gallon carts, 48-gallon carts, and 96-gallon carts, each to be used by the City's Solid Waste Management Department and (b) pay the Issuance Costs of the Finance Agreement.

6. Amount and Expenditure of Sale Proceeds of the Finance Agreement. The Sale Proceeds of the Finance Agreement will be $24,030,918, representing the Stated Redemption Price at Maturity. The Sale Proceeds of the Finance Agreement will be expended as follows:

(a) Equipment. The amount of $24,008,418 will be deposited in the Equipment Acquisition Account and is expected to be disbursed to pay or reimburse the costs of the Equipment. The aggregate amount of the costs of the Equipment is anticipated to exceed such amount. Any costs of the Equipment not financed out of Proceeds of the Finance Agreement will be financed out of the City's available funds.

(b) Issuance Costs. The amount of $22,500 will be disbursed to pay Issuance Costs of the Finance Agreement.

(c) Reimbursement. Other than (i) the amount of $100,000 and (ii) preliminary expenditures (i.e., architectural, engineering, surveying, soil testing, bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction, or rehabilitation of the Equipment, other than land acquisition, site preparation, and similar costs incident to commencement of construction) not in excess of 20 percent of the Issue Price, no portion of the amount described in the "Amount and Expenditure of Sale Proceeds of the Finance Agreement—Equipment" subparagraph above will be disbursed to reimburse the City for any expenditures made by the City prior to the date that is 60 days before the date the City adopted the Authorizing Document.

(d) No Working Capital. Except for any amount that does not exceed five percent of the Sale Proceeds of the Finance Agreement (and that is directly related to capital expenditures financed by the Finance Agreement), the City will only expend Proceeds of the Finance Agreement for (i) costs that would be chargeable to the capital accounts of the Equipment if the City's income were subject to federal income taxation and (ii) interest on the Finance Agreement in an amount that does not cause the aggregate amount of interest paid the Finance Agreement to exceed that amount of interest on the Finance Agreement that is attributable to the period that commences on the date hereof and ends on the later of (A) the date that is three years from the Issue Date of the Finance Agreement or (B) the date that is one year after the date on which the applicable Equipment is placed in service.

(e) No Sale of Conduit Loan. No portion of the Sale Proceeds of the Finance Agreement has been or will be used to acquire, finance, or refinance any conduit loan.

(f) No Overburdening. The Proceeds of the Finance Agreement will not exceed by more than a Minor Portion the amount necessary to accomplish the governmental purposes of the Finance Agreement and, in fact, are not expected to exceed by any amount the

amount of Proceeds of the Finance Agreement allocated to expenditures for the governmental purposes of the Finance Agreement.

(g) Allocations and Accounting. The Proceeds of the Finance Agreement will be allocated to expenditures not later than 18 months after the later of the date the expenditure is made or the date the applicable Equipment is placed in service, but in no event later than the date that is 60 days after the fifth anniversary of the date hereof or the retirement of the Finance Agreement, if earlier. The allocation of Proceeds of the Finance Agreement will be made by using a reasonable, consistently applied accounting method. No Proceeds of the Finance Agreement will be allocated to any expenditure to which Proceeds of any other obligations have heretofore been allocated. The City will maintain records and documentation regarding the allocation of expenditures to Proceeds of the Finance Agreement and the investment of Gross Proceeds of the Finance Agreement for at least three years after the close of the final calendar year during which the Finance Agreement is outstanding.

7. Pre-Issuance Accrued Interest. There is no Pre-Issuance Accrued Interest on the Finance Agreement.

8. Investment Proceeds. The best estimate of the City is that Investment Proceeds resulting from the investment of any Proceeds of the Finance Agreement described in the "Amount and Expenditure of Sale Proceeds of the Finance Agreement—Equipment" subparagraph above pending expenditure of such Proceeds for costs of the Equipment will be retained in the Equipment Acquisition Account and disbursed to pay or reimburse costs of the Equipment.

9. Replacement Proceeds.

(a) No Sinking Funds. There is no debt service fund, redemption fund, reserve fund, replacement fund, or similar fund reasonably expected to be used directly or indirectly to pay principal or interest on the Finance Agreement.

(b) No Pledged Funds. There is no amount that is directly or indirectly pledged to pay principal or interest on the Finance Agreement, or to a guarantor of part or all of the Finance Agreement, such that such pledge provides reasonable assurance that such amount will be available to pay principal or interest on the Finance Agreement if the City encounters financial difficulty. For purposes of this certification, an amount is treated as so pledged if it is held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of the holders or the guarantor of the Finance Agreement.

(c) No Other Replacement Proceeds. There are no other Replacement Proceeds allocable to the Finance Agreement because the City reasonably expects that the term of the Finance Agreement will not be longer than is reasonably necessary for the governmental purposes of the Finance Agreement. Furthermore, even if the Finance Agreement were outstanding longer than necessary for the purpose of the Finance Agreement, no Replacement Proceeds will arise because the City reasonably expects that no amounts will become available during the period that the Finance Agreement remain outstanding longer than necessary based on the reasonable expectations of the City as to the amounts and timing of future revenues. The

Finance Agreement would be issued to achieve the governmental purpose of the Finance Agreement independent of any arbitrage benefit as evidenced by the expectation that the Finance Agreement reasonably would have been issued if the interest on the Finance Agreement were not excludable from gross income (assuming that the hypothetical taxable interest rate would be the same as the actual tax-exempt interest rate).

(d) Weighted Average Economic Life. The Weighted Average Maturity of the Finance Agreement is not greater than 120 percent of the weighted average estimated economic life of the portion of the Equipment financed by the Finance Agreement, determined in accordance with section 147(b) of the Code. Such weighted average estimated economic life is determined in accordance with the following assumptions: (i) the weighted average was determined by taking into account the respective costs of each of the assets financed by the Finance Agreement; (ii) the reasonably expected economic life of an asset was determined as of the later of the date hereof or the date on which such asset is expected to be placed in service (i.e., available for use for the intended purposes of such asset); (iii) the economic lives used in making this determination are not greater than the reasonably expected economic useful lives of the Equipment financed by the Finance Agreement allowing for normal wear and tear and assuming prudent and customary maintenance; and (iv) land or any interest therein has not been taken into account in determining the average reasonably expected economic life of such Equipment.

10. Yield on the Finance Agreement. As set forth in the "Issue" paragraph below, the Finance Agreement and the Finance Contract will be treated as a single issue for federal tax purposes. For the purposes of this Federal Tax Certificate, the Yield on the Finance Issue is the discount rate that, when used in computing the present value as of the Issue Date of the Finance Issue, of all unconditionally payable payments of principal and interest on the Finance Issue, produces an amount equal to the present value, using the same discount rate, of the aggregate Issue Price of the Finance Issue as of the Issue Date.

The Issue Price of the Finance Issue is the first price at which the Finance Agreement and the Finance Contract were sold to the respective lenders. The City has been informed by such lenders that each intends to hold such instruments for its own account and neither is being offered to the public or issued in exchange for property.

The combined Yield on the Finance Agreement and the Finance Contract is calculated by treating the outstanding stated principal amounts as payable on the dates set forth in the Amortization Schedule included in Schedule A, Exhibit A, to the Finance Agreement and in the Payment Schedule attached to the Loan Schedule that is part of the Finance Contract. The City has no present intention of exercising the purchase option under the Finance Agreement or the Finance Contract prior to its maturity.

As set forth in Exhibit B attached hereto, the Yield on the Finance Issue, calculated in the manner set forth above, is 1.2406 percent.

The City has not entered into a hedging transaction with respect to the Finance Agreement. The City will not enter into a hedging transaction with respect to the Finance Agreement unless there is first received a Favorable Opinion of Bond Counsel.

11. Temporary Periods and Yield Restriction.

(a) Equipment. The City has incurred, or will incur within six months of the date hereof, a binding obligation to a third party that is not subject to any contingencies within the control of the City or a related party pursuant to which the City is obligated to expend at least five percent of the Sale Proceeds of the Finance Agreement on the Equipment. The City reasonably expects that work on or acquisition of the Equipment will proceed with due diligence to completion and that the Proceeds of the Finance Agreement will be expended on the Equipment with reasonable dispatch. The City reasonably expects that 85 percent of the Sale Proceeds of the Finance Agreement will have been expended on the Equipment prior to the date that is three years after the Issue Date of the Finance Agreement. Any Sale Proceeds of the Finance Agreement not expended prior to the date that is three years after the Issue Date of the Finance Agreement, will be invested at a Yield not "materially higher" than the Yield on the Finance Agreement, except as set forth in the "Minor Portion and Yield Reduction Payments" paragraph below. The City reasonably expects that any amount derived from the investment of moneys received from the sale of the Finance Agreement and from the investment of such investment income will not be commingled with substantial other receipts or revenues of the City and will be expended prior to the date that is three years after the Issue Date of the Finance Agreement, or one year after receipt of such investment income, whichever is later. Any such Investment Proceeds not expended prior to such date will be invested at a Yield not "materially higher" than the Yield on the Finance Agreement, except as set forth in the "Minor Portion and Yield Reduction Payments" paragraph below.

(b) Issuance Costs. It is expected that the amount described in the "Amount and Expenditure of Sale Proceeds of the Finance Agreement—Issuance Costs" subparagraph above will be disbursed within 30 days of the date hereof for Issuance Costs of the Finance Agreement; therefore, such amount will be invested for an allowable temporary period. To the extent any portion of the amount described in the "Amount and Expenditure of Sale Proceeds of the Finance Agreement—Issuance Costs" subparagraph is not expended as described herein, the City will take steps to restrict the investment of such amounts to a Yield which is not materially higher than the Yield on the Finance Agreement.

12. Funds.

(a) No Debt Service Fund. As described under the "Replacement Proceeds" paragraph above, the City has not established a debt service fund, redemption fund, reserve fund, replacement fund, or similar fund reasonably expected to be used directly or indirectly to pay principal or interest on the Finance Agreement. Accordingly, there is no assurance that amounts on deposit with the City, if any, will be available to pay debt service on the Finance Agreement if the City encounters financial difficulties.

(b) Equipment Acquisition Account. All of the Proceeds of the Finance Agreement in the Equipment Acquisition Account are expected to be invested and disbursed as described in the Escrow Agreement and the "Temporary Periods and Yield Restriction—Equipment" subparagraph of this Federal Tax Certificate; therefore, all of such amounts will be invested without regard to Yield restriction. Nevertheless, any such Proceeds not expended prior

to the dates set forth in the "Temporary Periods and Yield Restriction—Equipment" subparagraph will be Yield restricted to the extent set forth in such subparagraph.

13. Minor Portion and Yield Reduction Payments. All Gross Proceeds of the Finance Agreement will be invested in accordance with the "Temporary Periods and Yield Restriction" paragraph and the "Funds" paragraph above. To the extent such amounts remain on hand following the periods set forth in the "Temporary Periods and Yield Restriction" paragraph and the "Funds" paragraph above or exceed the limits set forth in the "Funds" paragraph above, the City will invest such amounts at a restricted Yield as set forth in such paragraphs; provided, however, that an amount not to exceed the Minor Portion may be invested at a Yield that is higher than the Yield on the Finance Agreement and, provided further, that the City may satisfy the yield restriction requirements by making yield reduction payments to the federal government to the extent permitted by section 1.148-5(c) of the Regulations.

14. Issue. Other than the Finance Contract, there are no other obligations that (a) are sold at substantially the same time as the Finance Agreement (i.e., less than 15 days apart), (b) are sold pursuant to the same plan of financing with the Finance Agreement, and (c) will be paid out of substantially the same source of funds as the Finance Agreement. Pursuant to section 1.150-1(c)(2) of the Regulations, the Finance Agreement and the Finance Contract will be treated as a single issue for federal tax purposes.

15. Compliance With Rebate Requirements. The City has covenanted in the Finance Agreement that, if it does not qualify for an exception to the requirements of section 148(f) of the Code relating to the required rebate to the United States, it will take all steps necessary to comply with the requirement that "rebatable arbitrage earnings" on the investment of the Gross Proceeds of the Finance Agreement be rebated to the United States. Specifically, the City will (i) maintain records regarding the investment of the Gross Proceeds of the Finance Agreement as may be required to calculate such "rebatable arbitrage earnings" separately from records of amounts on deposit in the funds and accounts of the City that are allocable to other bond issues of the City or moneys that do not represent Gross Proceeds of any bonds of the City, (ii) calculate at such intervals as may be required by applicable Regulations, the amount of "rebatable arbitrage earnings," if any, earned from the investment of the Gross Proceeds of the Finance Agreement, and (iii) pay, not less often than every fifth anniversary date of the delivery of the Finance Agreement and within 60 days following the final maturity of the Finance Agreement, or on such other dates required or permitted by applicable Regulations, all amounts required to be rebated to the federal government. The City will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the Gross Proceeds of the Finance Agreement that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm's-length and had the Yield on the issue not been relevant to either party.

16. Not an Abusive Transaction.

(a) General. No action taken in connection with the issuance of the Finance Agreement will enable the City to (i) exploit, other than during an allowable temporary period,

the difference between tax-exempt and taxable interest rates to obtain a material financial advantage (including as a result of an investment of any portion of the Gross Proceeds of the Finance Agreement over any period of time, notwithstanding that, in the aggregate, the Gross Proceeds of the Finance Agreement are not invested in higher yielding investments over the term of the Finance Agreement), and (ii) issue more bonds, issue bonds earlier, or allow bonds to remain outstanding longer than is otherwise reasonably necessary to accomplish the governmental purposes of the Finance Agreement. To the best of our knowledge, no actions have been taken in connection with the issuance of the Finance Agreement other than actions that would have been taken to accomplish the governmental purposes of the Finance Agreement if the interest on the Finance Agreement were not excludable from gross income for federal income tax purposes (assuming the hypothetical taxable interest rate would be the same as the actual tax-exempt interest rate on the Finance Agreement).

(b) No Sinking Fund. No portion of the Finance Agreement has a term that has been lengthened primarily for the purpose of creating a sinking fund or similar fund with respect to the Finance Agreement.

(c) No Window. No portion of the Finance Agreement has been structured with maturity dates the primary purpose of which is to make available released revenues that will enable the City to avoid transferred proceeds or to make available revenues that may be invested to be ultimately used to pay debt service on another issue of obligations.

17. No Arbitrage. On the basis of the foregoing facts, estimates and circumstances, it is expected that the Gross Proceeds of the Finance Agreement will not be used in a manner that would cause the Finance Agreement to be an "arbitrage bond" within the meaning of section 148 of the Code and the Regulations. To the best of the knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that would materially change such expectations.

18. No Private Use, Payments or Loan Financing.

(a) General. The City reasonably expects, as of the date hereof, that no action or event during the entire stated term of the Finance Agreement will cause either the "private business tests" or the "private loan financing test," as such terms are defined in the Regulations, to be met.

(i) Based on the reasonable belief of the City, no portion of the Proceeds of the Finance Agreement will be used in a trade or business of a nongovernmental person. For purposes of determining use, the City will apply rules set forth in applicable Regulations and Revenue Procedures promulgated by the Internal Revenue Service, including, among others, the following rules: (A) any activity carried on by a person other than a natural person or a state or local governmental unit will be treated as a trade or business of a nongovernmental person, provided that, such use will be treated as general public use (and not use in a trade or business) if the property is intended to be available, and is in fact reasonably available, for use on the same basis by natural persons not engaged in a trade or business; (B) the use of all or any portion of the

Equipment is treated as the direct use of Proceeds; (C) a nongovernmental person will be treated as a private business user of Proceeds of the Finance Agreement as a result of ownership, actual or beneficial use pursuant to a lease, or a management or incentive payment contract, or certain other arrangements such as a take-or-pay or other output-type contract; and (D) the private business use test is met if a nongovernmental person has special legal entitlements to use directly or indirectly the Equipment.

(ii) The City has not taken and will not take any deliberate action that would cause or permit the use of any portion of any Equipment to change so that such portion will be deemed to be used in the trade or business of a nongovernmental person for so long as the Finance Agreement remains outstanding (or until the City receives a Favorable Opinion of Bond Counsel). For this purpose, any action within the control of the City is treated as a deliberate action. A deliberate action occurs on the date the City enters into a binding contract with a nongovernmental person for use of the Equipment that is not subject to any material contingencies.

(iii) Payments of the debt service on the Finance Agreement will be paid from and secured by a generally applicable tax. For this purpose, a generally applicable tax is a tax (A) that is an enforced contribution exacted pursuant to legislative authority in the exercise of the taxing power that is imposed and collected for the purpose of raising revenue to be used for governmental purposes and (B) that has a uniform tax rate that is applied to all persons of the same classification in the appropriate jurisdiction using a generally applicable manner of determination and collection. No portion of the payment of the debt service on the Finance Agreement will be directly or indirectly derived from payments (whether or not to the City or any related party) in respect of property, or borrowed money, used or to be used for a private business use. Furthermore, no portion of the payment of the debt service on the Finance Agreement will be directly or indirectly secured by any interest in property used or to be used for a private business use or payments in respect of property used or to be used for a private business use.

(iv) Except to the extent permitted by section 141 of the Code and the Regulations and rulings thereunder, the City will not use Gross Proceeds of the Finance Agreement to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, Gross Proceeds are considered to be "loaned" to a person or entity if (A) property acquired, constructed or improved with Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes, (B) capacity in or service from such property is committed to such person or entity under a take-or-pay, output, or similar contract or arrangement, or (C) significant benefits and burdens of ownership of such Gross Proceeds or such property are otherwise transferred in a transaction that is the economic equivalent of a loan.

(b) Dispositions of Personal Property in the Ordinary Course. The City does not reasonably expect that it will sell or otherwise dispose of the Equipment other than in the ordinary course of an established governmental program that satisfies the following requirements:

(i) The Weighted Average Maturity of the Finance Agreement is not greater than 120 percent of the reasonably expected actual use of such personal property for governmental purposes;

(ii) The reasonably expected fair market value of such personal property on the date of disposition will be not greater than 25 percent of its cost;

(iii) Such personal property will no longer be suitable for its governmental purposes on the date of disposition; and

(iv) The City is required to deposit amounts received from such disposition in a commingled fund with substantial tax or other governmental revenues and the City reasonably expects to spend such amounts on governmental programs within six months from the date of commingling.

Furthermore, the City will not sell or otherwise dispose of all or any portion of the Equipment in circumstances in which the foregoing requirements are not satisfied unless it has received a Favorable Opinion of Bond Counsel.

(c) Other Agreements. The City will not enter into any agreement with any nongovernmental person regarding the use of all or any portion of the Equipment during the stated term of the Finance Agreement unless it has received in each and every case a Favorable Opinion of Bond Counsel; provided that, the City will not be required to obtain a Favorable Opinion of Bond Counsel with respect to (i) any contracts for services that are solely incidental to the primary governmental function or functions of the Equipment (e.g., contracts for janitorial or similar services), (ii) any contract for services if the only compensation is the reimbursement of the service provider for actual and direct expenses paid by the service provider to unrelated parties; or (iii) any contract related to use of the Equipment as a member of, and on the same basis as, the general public, so long as the term of such contract is not greater than 200 days.

19. Weighted Average Maturity. As set forth in the "Issue" paragraph above, the Finance Agreement and the Finance Contract will be treated as a single issue for federal tax purposes. As shown in the calculations attached hereto as Exhibit B, the combined Weighted Average Maturity of the Finance Issue is 2.2502 years and is the sum of the products of the Issue Price of the Finance Issue and the number of years to maturity (taking into account mandatory payments), divided by the aggregate Sale Proceeds of the Finance Issue.

20. Record Retention. The City will retain all pertinent and material records relating to the use and expenditure of the Proceeds of the Finance Agreement and the calculation or exemption from rebate until three years after the Finance Agreement is paid, or such shorter period as authorized by subsequent guidance issued by the Department of the Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as

hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the City to retrieve and reproduce such books and records in the event of an examination of the Finance Agreement by the Internal Revenue Service.

21. Finance Agreement is Not a Hedge Bond. Not more than 50 percent of the Proceeds of the Finance Agreement will be invested in nonpurpose investments (as defined in section 148(f)(6)(A) of the Code) having a substantially guaranteed Yield for four years or more within the meaning of section 149(g)(3)(A)(ii) of the Code. Further, the City reasonably expects that at least 85 percent of the spendable Proceeds of the Finance Agreement will be used to carry out the governmental purposes of the Finance Agreement within the three-year period beginning on the date the Finance Agreement is issued.

22. Post-Issuance Compliance Procedures. The City has implemented written post-issuance compliance procedures regarding federal tax compliance that include provisions to ensure that all nonqualified bonds of the Finance Agreement are remediated according to the requirements under the Code and Regulations and to monitor the requirements of section 148 of the Code.

EXECUTED as of this 17th day of February, 2016.

CITY OF SAN ANTONIO, TEXAS

By:_____

Name:_____

Title:_____

Attachment:

Exhibit A: Certificate of Lender

Exhibit B: Calculations

Signature page to Federal Tax Certificate

EXHIBIT A

CERTIFICATE OF LENDER

I, the undersigned officer of Banc of America Public Capital Corp (the "Lender"), make this certification for the benefit of all persons interested in the exclusion from gross income for federal income tax purposes of the interest on the Master Equipment Lease/Purchase Agreement, including the schedules thereto, dated February 17, 2016 (the "Finance Agreement"), by and between the City of San Antonio, Texas (the "City") and the Lender. Each capitalized term used herein has the meaning or is the amount, as the case may be, specified for such term in the Federal Tax Certificate to which this Exhibit A is attached (the "Federal Tax Certificate"). I hereby certify as follows in good faith as of the Issue Date of the Finance Agreement:

1. I am the duly chosen, qualified and acting officer of the Lender for the office shown below my signature; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of the Lender. I am the officer of the Lender charged, along with other officers of the Lender, with responsibility for the Finance Agreement.

2. The Lender has purchased the Finance Agreement from the City for an aggregate purchase price of $24,030,918, which price includes no amount of Pre-Issuance Accrued Interest. The Lender intends to hold the Finance Agreement for its own account and not in the capacity of bondhouse, broker, dealer, or similar person or organization acting in the capacity of underwriter or wholesaler. The Finance Agreement is not being offered to the public and is not being issued in exchange for property.

3. To the best of my knowledge the statements set forth in the "Not an Abusive Transaction" paragraph of the Federal Tax Certificate are true.

The City may rely on the statements made herein in connection with making the representations set forth in the Federal Tax Certificate and in its efforts to comply with the conditions imposed by the Code on the exclusion of interest on the Finance Agreement from the gross income of their owners. Bracewell LLP also may rely on this Certificate of Lender for purposes of its opinion regarding the treatment of interest on the Finance Agreement as excludable from gross income for federal income tax purposes and the preparation of the Internal Revenue Service Form 8038-G. The Lender makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED as of this 17th day of February, 2016.

BANC OF AMERICA PUBLIC CAPITAL CORP

By:_____

Name:_____

Title:_____

Signature page to Certificate of Lender

EXHIBIT B

CALCULATIONS

ATTACHMENT K TO SCHEDULE A

UCC-1 FINANCING STATEMENT

[see attached]

ATTACHMENT L TO SCHEDULE A

THREE YEAR AMORTIZATION SCHEDULE

[SEE ATTACHED]

ATTACHMENT M TO SCHEDULE A

FIVE YEAR AMORTIZATION SCHEDULE

[SEE ATTACHED]

MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT

By and Between

BANC OF AMERICA PUBLIC CAPITAL CORP

as Lessor

and

CITY OF SAN ANTONIO, TEXAS

as Lessee

Dated as of February 17, 2010

CLOSING INDEX

1. Master Equipment Lease/Purchase Agreement
2. Schedule A
3. Acceptance Certificate
4. Essential Use Certificate
5. Certificate of Appropriation
6. General Certificate
7. Certificate of City Clerk (with Ordinance)
8. Signature and No-Litigation Certificate
9. Opinion of Counsel to Lessee
10. Information Report on Form 8038-G
11. Cross-Receipt
12. No-Arbitrage and Tax Certificate
13. UCC-1 Financing Statement

MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT

By and Between

BANC OF AMERICA PUBLIC CAPITAL CORP

as Lessor

and

CITY OF SAN ANTONIO, TEXAS

as Lessee

Dated as of February 17, 2016

EXHIBIT B

ESCROW AND ACCOUNT CONTROL AGREEMENT

THIS ESCROW AND ACCOUNT CONTROL AGREEMENT (*"Escrow Agreement"*) is made as of February 17, 2016 by and among Banc of America Public Capital Corp, a corporation chartered under the laws of the State of _____ (*"Lessor"*), City of San Antonio, Texas, a political subdivision of the State of Texas (*"Lessee"*), and Frost Bank, San Antonio, Texas, a state banking association organized under the laws of the State of Texas, as escrow agent (*"Escrow Agent"*).

Lessor and Lessee have heretofore entered into that certain Master Equipment Lease Purchase Agreement dated as of February 17, 2016 (the *"Agreement"*) and Schedule A also dated as of February 17, 2016 (the *"Schedule"* and, together with the terms and conditions of the Agreement incorporated therein, the *"Lease"*). The Lease contemplates that certain equipment described therein (the *"Equipment"*) is to be acquired from the vendor(s) or manufacturer(s) thereof. After acceptance of the Equipment by Lessee, the Equipment is to be leased by Lessor to Lessee pursuant to the terms of the Lease.

The Lease further contemplates that Lessor will deposit an amount equal to the anticipated aggregate acquisition cost of the Equipment and Lessee's costs of issuance (the *"Purchase Price"*), being $24,030,918.00 (the amount of $18,945,936 for the refuse container component of the Equipment, and the amount of $5,084,982.00 for the refuse truck component of the Equipment), with Escrow Agent to be held in escrow and applied on the express terms set forth herein. The Purchase Price shall be held in the Equipment Acquisition Account (defined herein), together with all interest and other additions received with respect thereto, is to be applied to pay the vendor(s) or manufacturer(s) of the Equipment (the *"Vendor"*) its invoice cost, and to the reimbursement of Lessee for its costs of issuance. Lessor and Lessee acknowledge to Escrow Agent that the Lease does not contain any provision that expands the liabilities or duties of the Escrow Agent beyond those set forth in this instrument, or as otherwise required by law.

The parties desire to set forth the terms on which the Equipment Acquisition Account is to be created and to establish the rights and responsibilities of the parties hereto.

NOW, THEREFORE, the parties agree as follows:

1 (a) There is hereby created a special escrow account to be known as the "City of San Antonio Tax-Exempt Equipment Lease/Purchase for Solid Waste Account (2016)" (the "Equipment Acquisition Account") to be held by the Escrow Agent for the purposes stated herein.

(b) Escrow Agent hereby agrees to serve as escrow agent upon the terms and conditions set forth herein.

(c) The moneys and investments held in the Equipment Acquisition Account are irrevocably held in escrow for the benefit of Lessee and Lessor, and such moneys, together with any income or interest earned thereon, shall be expended only as provided in this Escrow Agreement, and Lessor and Lessee acknowledge, and declare that the

same shall not, to the extent permitted by applicable law, be subject to levy or attachment or lien by or for the benefit of any creditor of either Lessee or Lessor, Lessee and Escrow Agent intend that the Equipment Acquisition Account constitute an escrow account in which Lessee has no legal or equitable right, title or interest until satisfaction in full of all conditions contained herein for the disbursement of funds by the Escrow Agent therefrom. However, if the parties' intention that Lessee shall have no legal or equitable right, title or interest until all conditions for disbursement are satisfied in full is not respected in any legal proceeding, the parties hereto intend that Lessor shall have a security interest in the Equipment Acquisition Account, and such security interest is hereby granted by Lessee to secure payment of all sums due to Lessor under the Lease. For such purpose, Escrow Agent hereby agrees to act as agent for Lessor in connection with the perfection of such security interest and agrees to note, or cause to be noted, on all books and records relating to the Equipment Acquisition Account, the Lessor's interest therein.

(d) The Escrow Agent shall invest and reinvest moneys on deposit in the Equipment Acquisition Account in Authorized Investments (as defined herein) in accordance with written instructions received from Lessee. Lessee shall be solely responsible for ascertaining that all proposed investments and reinvestments are Authorized Investments and that they comply with federal, state and local laws, regulations and ordinances governing investment of such funds and for providing appropriate notice to the Acquisition Fund Custodian for the reinvestment of any maturing investment. Accordingly, Lessor shall not be responsible for any liability, cost, expense, loss or claim of any kind, directly or indirectly arising out of or related to t he investment or reinvestment of all or any portion of the moneys on deposit in the Equipment Acquisition Account, and Lessee agrees to and does hereby release Lessor from any such liability, cost, expenses, loss or claim. Interest on the Equipment Acquisition Account shall become part of the Equipment Acquisition Account, and gains and losses on the investment of the moneys on deposit in the Equipment Acquisition Account shall be borne by the Equipment Acquisition Account. For purposes of this agreement, "Authorized Investments" means any investments which meet the requirements of Chapter 2256, as amended, Texas Government Code, and are permitted by the Lessee's current Investment Policy.

(e) If the amounts in the Equipment Acquisition Account are insufficient to pay such amounts, Lessee shall provide any balance of the funds needed to complete the acquisition of the Equipment.

2. On such day as is determined to the mutual satisfaction of the parties (the *"Closing Date"*), Lessor shall deposit with Escrow Agent cash in the amount of the Purchase Price, to be held in escrow by Escrow Agent on the express terms and conditions set forth herein.

On the Closing Date, Escrow Agent agrees to accept the deposit of the Purchase Price by Lessor, and further agrees to hold the amount so deposited together with all interest and other

cash additions received with respect thereto, as the Equipment Acquisition Account hereunder, in escrow on the express terms and conditions set forth herein.

3. Escrow Agent shall at all times segregate the Equipment Acquisition Account into an account maintained for that express purpose, which shall be clearly identified on the books and records of Escrow Agent as being held in its capacity as Escrow Agent. Securities and other negotiable instruments comprising the Equipment Acquisition Account from time to time shall be held or registered in the name of "City of San Antonio Tax-Exempt Equipment Lease/Purchase for Solid Waste Account (2016)". The Equipment Acquisition Account shall not, to the extent permitted by applicable law, be subject to levy or attachment or lien by or for the benefit of any creditor of any of the parties hereto (except with respect to the security interest therein held by Lessor).

4. In order to perfect Lessor's security interest by means of control in (i) the Equipment Acquisition Account established hereunder, (ii) all securities entitlements, investment property and other financial assets now or hereafter credited to the Equipment Acquisition Account, (iii) all of Lessee's rights in respect of the Equipment Acquisition Account, such securities entitlements, investment property and other financial assets, and (iv) all products, proceeds and revenues of and from any of the foregoing personal property (collectively, the "Collateral"), Lessor, Lessee and Escrow Agent further agree as follows:

(a) All terms used in this Section 4 which are defined in the Commercial Code of the State of Texas ("Commercial Code") but are not otherwise defined herein shall have the meanings assigned to such terms in the Commercial Code, as in effect on the date of this Escrow Agreement.

(b) Escrow Agent will comply with all entitlement orders originated by Lessor with respect to the Collateral, or any portion of the Collateral, without further consent by Lessee.

(c) Escrow Agent hereby represents and warrants (a) that the records of Escrow Agent show that Lessee is the sole owner of the Collateral, (b) that Escrow Agent has not been served with any notice of levy or received any notice of any security interest in or other claim to the Collateral, or any portion of the Collateral, other than Lessor's claim pursuant to this Escrow Agreement, and (c) that Escrow Agent is not presently obligated to accept any entitlement order from any person with respect to the Collateral, except for entitlement orders that Escrow Agent is obligated to accept from Lessor under this Escrow Agreement and entitlement orders that Escrow Agent, subject to the provisions of paragraph (e) below, is obligated to accept from Lessee.

(d) Without the prior written consent of Lessor, Escrow Agent will not enter into any agreement by which Escrow Agent agrees to comply with any entitlement order of any person other than Lessor or, subject to the provisions of paragraph (e) below, Lessee, with respect to any portion or all of the Collateral. Escrow Agent shall promptly notify Lessor in writing if any person requests Escrow Agent to enter into any such agreement

or otherwise asserts or seeks to assert a lien, encumbrance or adverse claim against any portion or all of the Collateral.

(e) Except as otherwise provided in this paragraph (e) and subject to Section 1(b) hereof, Escrow Agent may allow Lessee to effect sales, trades, transfers and exchanges of Collateral within the Equipment Acquisition Account, but will not, without the prior written consent of Lessor, allow Lessee to withdraw any Collateral from the Equipment Acquisition Account. Escrow Agent acknowledges that Lessor reserves the right, by delivery of written notice to Escrow Agent, to prohibit Lessee from effecting any withdrawals (including withdrawals of ordinary cash dividends and interest income), sales, trades, transfers or exchanges of any Collateral held in the Equipment Acquisition Account. Further, Escrow Agent hereby agrees to comply with any and all written instructions delivered by Lessor to Escrow Agent (no later than two (2) business days of its receipt thereof) and has no obligation to, and will not, investigate the reason for any action taken by Lessor, the amount of any obligations of Lessee to Lessor, the validity of any of Lessor's claims against or agreements with Lessee, the existence of any defaults under such agreements, or any other matter.

(f) Lessee hereby irrevocably authorizes Escrow Agent to comply with all instructions and entitlement orders delivered by Lessor to Escrow Agent.

(g) Escrow Agent will not attempt to assert control, and does not claim and will not accept any security or other interest in, any part of the Collateral, and Escrow Agent will not exercise, enforce or attempt to enforce any right of setoff against the Collateral, or otherwise charge or deduct from the Collateral any amount whatsoever.

(h) Escrow Agent and Lessee hereby agree that any property held in the Equipment Acquisition Account shall be treated as a financial asset under such section of the Commercial Code as corresponds with Section 8-102 of the Uniform Commercial Code, notwithstanding any contrary provision of any other agreement to which Escrow Agent may be a party.

(i) Escrow Agent is hereby authorized and instructed, and hereby agrees, to send to Lessor at its address set forth on the execution page hereof, concurrently with the sending thereof to Lessee, duplicate copies of any and all monthly Equipment Acquisition Account statements or reports issued or sent to Lessee with respect to the Equipment Acquisition Account.

5. As directed by the Lessee, the cash comprising the Equipment Acquisition Account from time to time shall be invested and reinvested by Escrow Agent in any investment authorized pursuant to the Public Funds Investment Act V.T.C.A. Government Code §2256.001 et seq., as amended from time to time, and the written investment policy of Lessee most recently approved by the City Council of the Lessee. Escrow Agent will use due diligence to collect amounts payable under a check or other instrument for the payment of money comprising the Equipment Acquisition Account and shall promptly notify Lessee and Lessor in the event of dishonor of payment under any such check or other instruments. Interest or other amounts

earned and received by Escrow Agent with respect to the Equipment Acquisition Account shall be deposited in and comprise a part of the Equipment Acquisition Account.

6. Escrow Agent shall send monthly statements of account to Lessee and Lessor, which statements shall set forth all withdrawals from and interest earnings on the Equipment Acquisition Account as well as the investments in which the Equipment Acquisition Account is invested.

7. Escrow Agent shall take the following actions with respect to the Equipment Acquisition Account:

(a) From time to time, Escrow Agent shall disburse funds from the Equipment Acquisition Account that are then due and payable to the Vendor of the Equipment and/or other named party, upon Escrow Agent's receipt of a duly and fully executed Requisition Request and Certificate of Acceptance that authorizes the payment, describes it with specificity, and is signed by an authorized representative of each of Lessee and Lessor who is also an authorized signer on the Equipment Acquisition Account. The form of the Requisition Request and Certificate of Acceptance is set forth in Exhibit I hereto.

(b) If an Event of Default or Nonappropriation Event occurs under the Lease prior to the Lessee's acceptance of all the Equipment, or to the extent that funds have not been disbursed from the Equipment Acquisition Account within the eighteen month period identified in the Lease, Escrow Agent shall, upon receipt of written notice from Lessor, disburse by wire transfer to Lessor in accordance with Lessor's wiring instructions all funds then on deposit in the Equipment Acquisition Account, and all such funds shall be applied by Lessor to the prepayment of Lease Payments under the Lease.

(c) Upon receipt by Escrow Agent of written notice from Lessor that the purchase price of the Equipment has been paid in full, Escrow Agent shall disburse to Lessor by wire transfer in accordance with Lessor's wiring instructions all funds (if any) then remaining in the Equipment Acquisition Account, to be applied by Lessor against any current interest component of Lease Payments due under the Lease as provided therein, then to remaining outstanding principal in reverse order.

8. Lessee shall reimburse the Escrow Agent for all reasonable costs and expenses, including those of the Escrow Agent's attorneys, agents and employees incurred for extraordinary administration of the Escrow Account and the performance of the Escrow Agent's powers and duties hereunder in connection with any Event of Default under the Lease, or in connection with any dispute between Lessor and Lessee concerning the Escrow Account. The Escrow Agent has advised Lessor and Lessee that (except as set forth below) it will not charge any fees or costs for providing its services hereunder to Lessee. Escrow Agent waives any claim against Lessor with respect to compensation hereunder.

9. Escrow Agent shall have no liability for acting upon any written instruction presented by Lessor in connection with this Escrow Agreement, which Escrow Agent in good

faith believes to be genuine. Furthermore, Escrow Agent shall not be liable for any act or omission in connection with this Escrow Agreement except for its own negligence, willful misconduct or bad faith. Escrow Agent shall not be liable for any loss or diminution in value of the Equipment Acquisition Account as a result of the investments made by Escrow Agent.

10. Lessor, Lessee, and Escrow Agent acknowledge that Escrow Agent presently serves as Lessee's depository financial institution. All of the above named parties agree that in the event that at any time during the term of this Agreement and the Lease, Escrow Agent ceases to be Lessee's depository financial institution, Escrow Agent shall deliver its written resignation as Escrow Agent to Lessee and Lessor in the manner specified in Section 13 of this Agreement for notices. Such resignation shall be effective as of the end of business on the last day on which Escrow Agent is Lessee's depository financial institution, and shall be delivered to Lessee and Lessor not later than thirty (30) days prior thereto. Lessee's new depository financial institution shall be substituted as the Escrow Agent under this Agreement and the Lease ("Substitute Escrow Agent"), effective on the first day on which it is Lessee's new depository financial institution. Escrow Agent shall take any and all actions necessary to effect the complete and immediate transition of all of its rights, obligations and duties under this Agreement and the Lease to the Substitute Escrow Agent. Escrow Agent shall not be responsible for any actions of the Substitute Escrow Agent after the effective date of the Substitute Escrow Agent's substitution under this Agreement and the Lease, but shall remain responsible (but only if and to the extent provided in this Agreement) to Lessor and Lessee for its actions during the entire time it served as Escrow Agent.

11. This Escrow Agreement and the escrow established hereunder shall terminate upon receipt by Escrow Agent of the written notice from Lessor specified in Section 7(b) or Section 7(c) hereof or upon disbursement of all funds or mutual agreement of Lessor and Lessee.

12. In the event of any disagreement between the undersigned or any of them, and/or any other person, resulting in adverse claims and demands being made in connection with or for any moneys involved herein or affected hereby, Escrow Agent shall be entitled at its option to refuse to comply with any such claim or demand, so long as such disagreement shall continue, and in so refusing Escrow Agent may refrain from making any delivery or other disposition of any moneys involved herein or affected hereby and in so doing Escrow Agent shall not be or become liable to the undersigned or any of them or to any person or party for its failure or refusal to comply with such conflicting or adverse demands, and Escrow Agent shall be entitled to continue so to refrain and refuse so to act until:

(a) the rights of the adverse claimants have been finally adjudicated in a court assuming and having jurisdiction of the parties and the moneys involved herein or affected hereby; or

(b) all differences shall have been adjusted by agreement and Escrow Agent shall have been notified thereof in writing signed by all of the persons interested.

13. All notices (excluding billings and communications in the ordinary course of business) hereunder shall be in writing, and shall be sufficiently given and served upon the other

party if delivered (a) personally, (b) by United States registered or certified mail, return receipt requested, postage prepaid, (c) by an overnight delivery by a service such as Federal Express or Express Mail from which written confirmation of overnight delivery is available, or (d) by facsimile with a confirmation copy by regular United States mail, postage prepaid, addressed to the other party at its respective address stated below the signature of such party or at such other address as such party shall from time to time designate in writing to the other party, and shall be effective from the date of receipt.

If to Lessor:	Banc of America Public Capital Corp 555 California Street, 4th Floor San Francisco, California 94104 Attention: Contract Administrator Mail Code: CA5-705-04-01
If to Lessee:	City of San Antonio, Texas Finance Department 111 Soledad, 5th Floor San Antonio, Texas 78205 Attn: Division of Financial Management Phone: (210) 207-8637 Fax: (210) 207-7774
If to Escrow Agent:	Frost Bank P.O. Box 1600 San Antonio, Texas 78296-1600 Attn: Tom Frost, III Phone: (210) 220-5764 Fax: (210) 220-4040

14. This Escrow Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns. No rights or obligations of Escrow Agent under this Escrow Agreement may be assigned without the prior written consent of Lessor.

15. This Escrow Agreement shall be governed by and construed in accordance with the laws in the state of Texas. This Escrow Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and no waiver, consent, modification or change of terms hereof shall bind any party unless in writing signed by all parties.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be duly executed as of the day and year first above set forth.

Banc of America Public Capital Corp, as Lessor

By:_____
Name:
Title:

City of San Antonio, Texas, as Lessee

By: _____
Name: Troy Elliott.
Title: Finance Director

Frost Bank, as Escrow Agent

By: _____
Name: Tom Frost, III
Title: Senior Executive Vice President

EXHIBIT 1

REQUISITION REQUEST AND CERTIFICATE OF ACCEPTANCE NO._____
(to be submitted with each requisition request for payment to the vendor)

-or-

____ ( ) FINAL REQUISITION REQUEST AND CERTIFICATE OF ACCEPTANCE
(to be submitted with the final requisition request upon acceptance of the Equipment)

The Escrow Agent is hereby requested to pay from the Equipment Acquisition Account established and maintained under that certain Escrow Agreement dated as of February 17, 2016 (the *"Escrow Agreement"*) by and among Banc of America Public Capital Corp (the *"Lessor"*), City of San Antonio, Texas (the *"Lessee"*), and Frost Bank (the *"Escrow Agent"*), the amount set forth below to the named payee(s). The amount shown is due and payable under a purchase order or contract (or has been paid by and not previously reimbursed to Lessee) with respect to Equipment being leased under that certain Master Equipment Lease Purchase Agreement dated as of February 17, 2016 (the *"Master Lease"*) and Schedule A dated February 17, 2016 (collectively, the *"Schedule"* and, together with the terms and conditions of the Master Lease incorporated therein, the *"Lease"*), by and between the Lessor and the Lessee, and has not formed the basis of any prior requisition request.

PAYEE'S FUNDING INSTRUCTIONS	INVOICE NUMBER	AMOUNT	PURPOSE

Total requisition amount $_____

The undersigned, as Lessee under the Lease hereby certifies:

1. The items of the Equipment, as such term is defined in the Lease, fully and accurately described on the Equipment Schedule attached hereto have been delivered and installed at the location(s) set forth therein.

2. A present need exists for the Equipment which need is not temporary or expected to diminish in the near future. The Equipment is essential to and will be used by the Lessee only for the purpose of performing one or more governmental functions of Lessee consistent with the permissible scope of Lessee's authority.

3. The estimated useful life of the Equipment based upon the manufacturer's representations and the Lessee's projected needs is not less than the Lease Term of lease with respect to the Equipment.

4. The Lessee has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes as of the date of this Certificate.

5. The Equipment is covered by insurance in the types and amounts required by the Lease.

6. No Event of Default or Nonappropriation Event, as each such term is defined in the Lease, and no event which with the giving of notice or lapse of time, or both, would become such an Event of Default or Non-Appropriation Event has occurred and is continuing on the date hereof.

7. Sufficient funds have been appropriated by the Lessee for the payment of all Lease Payments due under the Lease during Lessee's current fiscal year.

8. Based on the foregoing, Lessor is hereby authorized and directed to fund the acquisition of the Equipment set forth on the Equipment Schedule by paying, or causing to be paid, the manufacturer(s)/vendor(s) the amounts set forth on the attached invoices.

9. The following documents are attached hereto and made a part hereof:

(a) Original Invoice(s);

(b) Copies of Certificate(s) of Origin designating Lessor as lienholder if any part of the Equipment consists of motor vehicles, and evidence of filing; and

(c) Requisition for Payment.

10. If this is the final acceptance of Equipment, then as of the Acceptance Date stated below and as between the Lessee and the Lessor, the Lessee hereby agrees that: (a) the Lessee has received and inspected all of the Equipment described in the Lease; (b) all Equipment is in good working order and complies with all purchase orders, contracts and specification; (c) the Lessee accepts all Equipment for purposes of the Lease "as-is, where-is"; and (d) the Lessee waives any right to revoke such acceptance.

If Lessee paid an invoice prior to the commencement date of the Lease and is requesting reimbursement for such payment, also attach a copy of evidence of such payment and other evidence that Lessee has satisfied the requirements for reimbursement set forth in Treas. Reg. §1.150-2.

[Remainder of page intentionally left blank.]

Acceptance Date: _____

City of San Antonio, Texas
as Lessee

By: _____
Name: _____
Title: _____

Date: _____

By: _____
Name: _____
Title: _____

Date: _____

Frost Bank,
as Escrow Agent

By: _____
Name: _____
Title: _____

Date: _____

Banc of America Public Capital Corp,
as Lessor

By: _____
Title: _____
Date: _____

EXHIBIT C

ESCROW AND ACCOUNT CONTROL AGREEMENT

THIS ESCROW AND ACCOUNT CONTROL AGREEMENT (*"Escrow Agreement"*) is made as of February 17, 2016 by and among Banc of America Public Capital Corp, a corporation chartered under the laws of the State of _____ (*"Lessor"*), City of San Antonio, Texas, a political subdivision of the State of Texas (*"Lessee"*), and Frost Bank, San Antonio, Texas, a state banking association organized under the laws of the State of Texas, as escrow agent (*"Escrow Agent"*).

Lessor and Lessee have heretofore entered into that certain Master Equipment Lease Purchase Agreement dated as of February 17, 2016 (the *"Agreement"*) and Schedule A also dated as of February 17, 2016 (the *"Schedule"* and, together with the terms and conditions of the Agreement incorporated therein, the *"Lease"*). The Lease contemplates that certain equipment described therein (the *"Equipment"*) is to be acquired from the vendor(s) or manufacturer(s) thereof. After acceptance of the Equipment by Lessee, the Equipment is to be leased by Lessor to Lessee pursuant to the terms of the Lease.

The Lease further contemplates that Lessor will deposit an amount equal to the anticipated aggregate acquisition cost of the Equipment and Lessee's costs of issuance (the *"Purchase Price"*), being $24,030,918.00 (the amount of $18,945,936 for the refuse container component of the Equipment, and the amount of $5,084,982.00 for the refuse truck component of the Equipment), with Escrow Agent to be held in escrow and applied on the express terms set forth herein. The Purchase Price shall be held in the Equipment Acquisition Account (defined herein), together with all interest and other additions received with respect thereto, is to be applied to pay the vendor(s) or manufacturer(s) of the Equipment (the *"Vendor"*) its invoice cost, and to the reimbursement of Lessee for its costs of issuance. Lessor and Lessee acknowledge to Escrow Agent that the Lease does not contain any provision that expands the liabilities or duties of the Escrow Agent beyond those set forth in this instrument, or as otherwise required by law.

The parties desire to set forth the terms on which the Equipment Acquisition Account is to be created and to establish the rights and responsibilities of the parties hereto.

NOW, THEREFORE, the parties agree as follows:

1 (a) There is hereby created a special escrow account to be known as the "City of San Antonio Tax-Exempt Equipment Lease/Purchase for Solid Waste Account (2016)" (the "Equipment Acquisition Account") to be held by the Escrow Agent for the purposes stated herein.

(b) Escrow Agent hereby agrees to serve as escrow agent upon the terms and conditions set forth herein.

(c) The moneys and investments held in the Equipment Acquisition Account are irrevocably held in escrow for the benefit of Lessee and Lessor, and such moneys, together with any income or interest earned thereon, shall be expended only as provided in this Escrow Agreement, and Lessor and Lessee acknowledge, and declare that the

same shall not, to the extent permitted by applicable law, be subject to levy or attachment or lien by or for the benefit of any creditor of either Lessee or Lessor, Lessee and Escrow Agent intend that the Equipment Acquisition Account constitute an escrow account in which Lessee has no legal or equitable right, title or interest until satisfaction in full of all conditions contained herein for the disbursement of funds by the Escrow Agent therefrom. However, if the parties' intention that Lessee shall have no legal or equitable right, title or interest until all conditions for disbursement are satisfied in full is not respected in any legal proceeding, the parties hereto intend that Lessor shall have a security interest in the Equipment Acquisition Account, and such security interest is hereby granted by Lessee to secure payment of all sums due to Lessor under the Lease. For such purpose, Escrow Agent hereby agrees to act as agent for Lessor in connection with the perfection of such security interest and agrees to note, or cause to be noted, on all books and records relating to the Equipment Acquisition Account, the Lessor's interest therein.

(d) The Escrow Agent shall invest and reinvest moneys on deposit in the Equipment Acquisition Account in Authorized Investments (as defined herein) in accordance with written instructions received from Lessee. Lessee shall be solely responsible for ascertaining that all proposed investments and reinvestments are Authorized Investments and that they comply with federal, state and local laws, regulations and ordinances governing investment of such funds and for providing appropriate notice to the Acquisition Fund Custodian for the reinvestment of any maturing investment. Accordingly, Lessor shall not be responsible for any liability, cost, expense, loss or claim of any kind, directly or indirectly arising out of or related to t he investment or reinvestment of all or any portion of the moneys on deposit in the Equipment Acquisition Account, and Lessee agrees to and does hereby release Lessor from any such liability, cost, expenses, loss or claim. Interest on the Equipment Acquisition Account shall become part of the Equipment Acquisition Account, and gains and losses on the investment of the moneys on deposit in the Equipment Acquisition Account shall be borne by the Equipment Acquisition Account. For purposes of this agreement, "Authorized Investments" means any investments which meet the requirements of Chapter 2256, as amended, Texas Government Code, and are permitted by the Lessee's current Investment Policy.

(e) If the amounts in the Equipment Acquisition Account are insufficient to pay such amounts, Lessee shall provide any balance of the funds needed to complete the acquisition of the Equipment.

2. On such day as is determined to the mutual satisfaction of the parties (the *"Closing Date"*), Lessor shall deposit with Escrow Agent cash in the amount of the Purchase Price, to be held in escrow by Escrow Agent on the express terms and conditions set forth herein.

On the Closing Date, Escrow Agent agrees to accept the deposit of the Purchase Price by Lessor, and further agrees to hold the amount so deposited together with all interest and other

cash additions received with respect thereto, as the Equipment Acquisition Account hereunder, in escrow on the express terms and conditions set forth herein.

3. Escrow Agent shall at all times segregate the Equipment Acquisition Account into an account maintained for that express purpose, which shall be clearly identified on the books and records of Escrow Agent as being held in its capacity as Escrow Agent. Securities and other negotiable instruments comprising the Equipment Acquisition Account from time to time shall be held or registered in the name of "City of San Antonio Tax-Exempt Equipment Lease/Purchase for Solid Waste Account (2016)". The Equipment Acquisition Account shall not, to the extent permitted by applicable law, be subject to levy or attachment or lien by or for the benefit of any creditor of any of the parties hereto (except with respect to the security interest therein held by Lessor).

4. In order to perfect Lessor's security interest by means of control in (i) the Equipment Acquisition Account established hereunder, (ii) all securities entitlements, investment property and other financial assets now or hereafter credited to the Equipment Acquisition Account, (iii) all of Lessee's rights in respect of the Equipment Acquisition Account, such securities entitlements, investment property and other financial assets, and (iv) all products, proceeds and revenues of and from any of the foregoing personal property (collectively, the "Collateral"), Lessor, Lessee and Escrow Agent further agree as follows:

(a) All terms used in this Section 4 which are defined in the Commercial Code of the State of Texas ("Commercial Code") but are not otherwise defined herein shall have the meanings assigned to such terms in the Commercial Code, as in effect on the date of this Escrow Agreement.

(b) Escrow Agent will comply with all entitlement orders originated by Lessor with respect to the Collateral, or any portion of the Collateral, without further consent by Lessee.

(c) Escrow Agent hereby represents and warrants (a) that the records of Escrow Agent show that Lessee is the sole owner of the Collateral, (b) that Escrow Agent has not been served with any notice of levy or received any notice of any security interest in or other claim to the Collateral, or any portion of the Collateral, other than Lessor's claim pursuant to this Escrow Agreement, and (c) that Escrow Agent is not presently obligated to accept any entitlement order from any person with respect to the Collateral, except for entitlement orders that Escrow Agent is obligated to accept from Lessor under this Escrow Agreement and entitlement orders that Escrow Agent, subject to the provisions of paragraph (e) below, is obligated to accept from Lessee.

(d) Without the prior written consent of Lessor, Escrow Agent will not enter into any agreement by which Escrow Agent agrees to comply with any entitlement order of any person other than Lessor or, subject to the provisions of paragraph (e) below, Lessee, with respect to any portion or all of the Collateral. Escrow Agent shall promptly notify Lessor in writing if any person requests Escrow Agent to enter into any such agreement

or otherwise asserts or seeks to assert a lien, encumbrance or adverse claim against any portion or all of the Collateral.

(e) Except as otherwise provided in this paragraph (e) and subject to Section 1(b) hereof, Escrow Agent may allow Lessee to effect sales, trades, transfers and exchanges of Collateral within the Equipment Acquisition Account, but will not, without the prior written consent of Lessor, allow Lessee to withdraw any Collateral from the Equipment Acquisition Account. Escrow Agent acknowledges that Lessor reserves the right, by delivery of written notice to Escrow Agent, to prohibit Lessee from effecting any withdrawals (including withdrawals of ordinary cash dividends and interest income), sales, trades, transfers or exchanges of any Collateral held in the Equipment Acquisition Account. Further, Escrow Agent hereby agrees to comply with any and all written instructions delivered by Lessor to Escrow Agent (no later than two (2) business days of its receipt thereof) and has no obligation to, and will not, investigate the reason for any action taken by Lessor, the amount of any obligations of Lessee to Lessor, the validity of any of Lessor's claims against or agreements with Lessee, the existence of any defaults under such agreements, or any other matter.

(f) Lessee hereby irrevocably authorizes Escrow Agent to comply with all instructions and entitlement orders delivered by Lessor to Escrow Agent.

(g) Escrow Agent will not attempt to assert control, and does not claim and will not accept any security or other interest in, any part of the Collateral, and Escrow Agent will not exercise, enforce or attempt to enforce any right of setoff against the Collateral, or otherwise charge or deduct from the Collateral any amount whatsoever.

(h) Escrow Agent and Lessee hereby agree that any property held in the Equipment Acquisition Account shall be treated as a financial asset under such section of the Commercial Code as corresponds with Section 8-102 of the Uniform Commercial Code, notwithstanding any contrary provision of any other agreement to which Escrow Agent may be a party.

(i) Escrow Agent is hereby authorized and instructed, and hereby agrees, to send to Lessor at its address set forth on the execution page hereof, concurrently with the sending thereof to Lessee, duplicate copies of any and all monthly Equipment Acquisition Account statements or reports issued or sent to Lessee with respect to the Equipment Acquisition Account.

5. As directed by the Lessee, the cash comprising the Equipment Acquisition Account from time to time shall be invested and reinvested by Escrow Agent in any investment authorized pursuant to the Public Funds Investment Act V.T.C.A. Government Code §2256.001 et seq., as amended from time to time, and the written investment policy of Lessee most recently approved by the City Council of the Lessee. Escrow Agent will use due diligence to collect amounts payable under a check or other instrument for the payment of money comprising the Equipment Acquisition Account and shall promptly notify Lessee and Lessor in the event of dishonor of payment under any such check or other instruments. Interest or other amounts

earned and received by Escrow Agent with respect to the Equipment Acquisition Account shall be deposited in and comprise a part of the Equipment Acquisition Account.

6. Escrow Agent shall send monthly statements of account to Lessee and Lessor, which statements shall set forth all withdrawals from and interest earnings on the Equipment Acquisition Account as well as the investments in which the Equipment Acquisition Account is invested.

7. Escrow Agent shall take the following actions with respect to the Equipment Acquisition Account:

(a) From time to time, Escrow Agent shall disburse funds from the Equipment Acquisition Account that are then due and payable to the Vendor of the Equipment and/or other named party, upon Escrow Agent's receipt of a duly and fully executed Requisition Request and Certificate of Acceptance that authorizes the payment, describes it with specificity, and is signed by an authorized representative of each of Lessee and Lessor who is also an authorized signer on the Equipment Acquisition Account. The form of the Requisition Request and Certificate of Acceptance is set forth in Exhibit I hereto.

(b) If an Event of Default or Nonappropriation Event occurs under the Lease prior to the Lessee's acceptance of all the Equipment, or to the extent that funds have not been disbursed from the Equipment Acquisition Account within the eighteen month period identified in the Lease, Escrow Agent shall, upon receipt of written notice from Lessor, disburse by wire transfer to Lessor in accordance with Lessor's wiring instructions all funds then on deposit in the Equipment Acquisition Account, and all such funds shall be applied by Lessor to the prepayment of Lease Payments under the Lease.

(c) Upon receipt by Escrow Agent of written notice from Lessor that the purchase price of the Equipment has been paid in full, Escrow Agent shall disburse to Lessor by wire transfer in accordance with Lessor's wiring instructions all funds (if any) then remaining in the Equipment Acquisition Account, to be applied by Lessor against any current interest component of Lease Payments due under the Lease as provided therein, then to remaining outstanding principal in reverse order.

8. Lessee shall reimburse the Escrow Agent for all reasonable costs and expenses, including those of the Escrow Agent's attorneys, agents and employees incurred for extraordinary administration of the Escrow Account and the performance of the Escrow Agent's powers and duties hereunder in connection with any Event of Default under the Lease, or in connection with any dispute between Lessor and Lessee concerning the Escrow Account. The Escrow Agent has advised Lessor and Lessee that (except as set forth below) it will not charge any fees or costs for providing its services hereunder to Lessee. Escrow Agent waives any claim against Lessor with respect to compensation hereunder.

9. Escrow Agent shall have no liability for acting upon any written instruction presented by Lessor in connection with this Escrow Agreement, which Escrow Agent in good

faith believes to be genuine. Furthermore, Escrow Agent shall not be liable for any act or omission in connection with this Escrow Agreement except for its own negligence, willful misconduct or bad faith. Escrow Agent shall not be liable for any loss or diminution in value of the Equipment Acquisition Account as a result of the investments made by Escrow Agent.

10. Lessor, Lessee, and Escrow Agent acknowledge that Escrow Agent presently serves as Lessee's depository financial institution. All of the above named parties agree that in the event that at any time during the term of this Agreement and the Lease, Escrow Agent ceases to be Lessee's depository financial institution, Escrow Agent shall deliver its written resignation as Escrow Agent to Lessee and Lessor in the manner specified in Section 13 of this Agreement for notices. Such resignation shall be effective as of the end of business on the last day on which Escrow Agent is Lessee's depository financial institution, and shall be delivered to Lessee and Lessor not later than thirty (30) days prior thereto. Lessee's new depository financial institution shall be substituted as the Escrow Agent under this Agreement and the Lease ("Substitute Escrow Agent"), effective on the first day on which it is Lessee's new depository financial institution. Escrow Agent shall take any and all actions necessary to effect the complete and immediate transition of all of its rights, obligations and duties under this Agreement and the Lease to the Substitute Escrow Agent. Escrow Agent shall not be responsible for any actions of the Substitute Escrow Agent after the effective date of the Substitute Escrow Agent's substitution under this Agreement and the Lease, but shall remain responsible (but only if and to the extent provided in this Agreement) to Lessor and Lessee for its actions during the entire time it served as Escrow Agent.

11. This Escrow Agreement and the escrow established hereunder shall terminate upon receipt by Escrow Agent of the written notice from Lessor specified in Section 7(b) or Section 7(c) hereof or upon disbursement of all funds or mutual agreement of Lessor and Lessee.

12. In the event of any disagreement between the undersigned or any of them, and/or any other person, resulting in adverse claims and demands being made in connection with or for any moneys involved herein or affected hereby, Escrow Agent shall be entitled at its option to refuse to comply with any such claim or demand, so long as such disagreement shall continue, and in so refusing Escrow Agent may refrain from making any delivery or other disposition of any moneys involved herein or affected hereby and in so doing Escrow Agent shall not be or become liable to the undersigned or any of them or to any person or party for its failure or refusal to comply with such conflicting or adverse demands, and Escrow Agent shall be entitled to continue so to refrain and refuse so to act until:

(a) the rights of the adverse claimants have been finally adjudicated in a court assuming and having jurisdiction of the parties and the moneys involved herein or affected hereby; or

(b) all differences shall have been adjusted by agreement and Escrow Agent shall have been notified thereof in writing signed by all of the persons interested.

13. All notices (excluding billings and communications in the ordinary course of business) hereunder shall be in writing, and shall be sufficiently given and served upon the other

party if delivered (a) personally, (b) by United States registered or certified mail, return receipt requested, postage prepaid, (c) by an overnight delivery by a service such as Federal Express or Express Mail from which written confirmation of overnight delivery is available, or (d) by facsimile with a confirmation copy by regular United States mail, postage prepaid, addressed to the other party at its respective address stated below the signature of such party or at such other address as such party shall from time to time designate in writing to the other party, and shall be effective from the date of receipt.

If to Lessor:	Banc of America Public Capital Corp 555 California Street, 4th Floor San Francisco, California 94104 Attention: Contract Administrator Mail Code: CA5-705-04-01
If to Lessee:	City of San Antonio, Texas Finance Department 111 Soledad, 5th Floor San Antonio, Texas 78205 Attn: Division of Financial Management Phone: (210) 207-8637 Fax: (210) 207-7774
If to Escrow Agent:	Frost Bank P.O. Box 1600 San Antonio, Texas 78296-1600 Attn: Tom Frost, III Phone: (210) 220-5764 Fax: (210) 220-4040

14. This Escrow Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns. No rights or obligations of Escrow Agent under this Escrow Agreement may be assigned without the prior written consent of Lessor.

15. This Escrow Agreement shall be governed by and construed in accordance with the laws in the state of Texas. This Escrow Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and no waiver, consent, modification or change of terms hereof shall bind any party unless in writing signed by all parties.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be duly executed as of the day and year first above set forth.

Banc of America Public Capital Corp, as Lessor

By:_____
Name:
Title:

City of San Antonio, Texas, as Lessee

By: _____
Name: Troy Elliott.
Title: Finance Director

Frost Bank, as Escrow Agent

By: _____
Name: Tom Frost, III
Title: Senior Executive Vice President

EXHIBIT 1

REQUISITION REQUEST AND CERTIFICATE OF ACCEPTANCE NO._____
(to be submitted with each requisition request for payment to the vendor)

-or-

____ ( ) FINAL REQUISITION REQUEST AND CERTIFICATE OF ACCEPTANCE
(to be submitted with the final requisition request upon acceptance of the Equipment)

The Escrow Agent is hereby requested to pay from the Equipment Acquisition Account established and maintained under that certain Escrow Agreement dated as of February 17, 2016 (the *"Escrow Agreement"*) by and among Banc of America Public Capital Corp (the *"Lessor"*), City of San Antonio, Texas (the *"Lessee"*), and Frost Bank (the *"Escrow Agent"*), the amount set forth below to the named payee(s). The amount shown is due and payable under a purchase order or contract (or has been paid by and not previously reimbursed to Lessee) with respect to Equipment being leased under that certain Master Equipment Lease Purchase Agreement dated as of February 17, 2016 (the *"Master Lease"*) and Schedule A dated February 17, 2016 (collectively, the *"Schedule"* and, together with the terms and conditions of the Master Lease incorporated therein, the *"Lease"*), by and between the Lessor and the Lessee, and has not formed the basis of any prior requisition request.

PAYEE'S FUNDING INSTRUCTIONS	INVOICE NUMBER	AMOUNT	PURPOSE

Total requisition amount $_____

The undersigned, as Lessee under the Lease hereby certifies:

1. The items of the Equipment, as such term is defined in the Lease, fully and accurately described on the Equipment Schedule attached hereto have been delivered and installed at the location(s) set forth therein.

2. A present need exists for the Equipment which need is not temporary or expected to diminish in the near future. The Equipment is essential to and will be used by the Lessee only for the purpose of performing one or more governmental functions of Lessee consistent with the permissible scope of Lessee's authority.

3. The estimated useful life of the Equipment based upon the manufacturer's representations and the Lessee's projected needs is not less than the Lease Term of lease with respect to the Equipment.

4. The Lessee has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes as of the date of this Certificate.

5. The Equipment is covered by insurance in the types and amounts required by the Lease.

6. No Event of Default or Nonappropriation Event, as each such term is defined in the Lease, and no event which with the giving of notice or lapse of time, or both, would become such an Event of Default or Non-Appropriation Event has occurred and is continuing on the date hereof.

7. Sufficient funds have been appropriated by the Lessee for the payment of all Lease Payments due under the Lease during Lessee's current fiscal year.

8. Based on the foregoing, Lessor is hereby authorized and directed to fund the acquisition of the Equipment set forth on the Equipment Schedule by paying, or causing to be paid, the manufacturer(s)/vendor(s) the amounts set forth on the attached invoices.

9. The following documents are attached hereto and made a part hereof:

(a) Original Invoice(s);

(b) Copies of Certificate(s) of Origin designating Lessor as lienholder if any part of the Equipment consists of motor vehicles, and evidence of filing; and

(c) Requisition for Payment.

10. If this is the final acceptance of Equipment, then as of the Acceptance Date stated below and as between the Lessee and the Lessor, the Lessee hereby agrees that: (a) the Lessee has received and inspected all of the Equipment described in the Lease; (b) all Equipment is in good working order and complies with all purchase orders, contracts and specification; (c) the Lessee accepts all Equipment for purposes of the Lease "as-is, where-is"; and (d) the Lessee waives any right to revoke such acceptance.

If Lessee paid an invoice prior to the commencement date of the Lease and is requesting reimbursement for such payment, also attach a copy of evidence of such payment and other evidence that Lessee has satisfied the requirements for reimbursement set forth in Treas. Reg. §1.150-2.

[Remainder of page intentionally left blank.]

Acceptance Date: _____

City of San Antonio, Texas
as Lessee

By: _____
Name: _____
Title: _____

Date: _____

By: _____
Name: _____
Title: _____

Date: _____

Frost Bank,
as Escrow Agent

By: _____
Name: _____
Title: _____

Date: _____

Banc of America Public Capital Corp,
as Lessor

By: _____
Title: _____
Date: _____

EXHIBIT C

SCHEDULE A
TO MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT
by and between
BANC OF AMERICA PUBLIC CAPITAL CORP,
as Lessor
and
CITY OF SAN ANTONIO, TEXAS,
as Lessee

Dated as of February 17, 2016

THIS SCHEDULE A, to the **MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT** identified above (the *"Master Lease"*) is entered into as of February 17, 2016, by and between **BANC OF AMERICA PUBLIC CAPITAL CORP**, as lessor (*"Lessor"*) and the **CITY OF SAN ANTONIO, TEXAS**, as lessee (*"Lessee"*). All of the provisions of the Master Lease are incorporated herein by reference and capitalized terms used herein and not defined shall have the meanings assigned them in the Master Lease.

1. The Master Lease and this Schedule A jointly constitute an Agreement (this *"Agreement"*). Lessor hereby leases and lets to Lessee, Lessee leases from Lessor, subject to the provisions of the Agreement, the Equipment identified below:

Item (Quantity)	**Description, Make, Model**
18	**Refuse Collection Trucks**
71,762	**64 Gallon Carts**
16,832	**48 Gallon Carts**
255,590	**96 Gallon Organic Carts**

Insert Quantity and Description of Equipment

The Total Contract Price for this Schedule A is $24,030,918.00 which is composed of $18,945,936.00 for the Refuse Containers and $5,084,982.00 for the Refuse Collection Trucks.

The Maximum Contract Amount for this Schedule A is $24,030,918.00.

As of the date of this Schedule A, Lessee has not taken possession of the Equipment shown above. It is expected that by three (3) years from the date of this Schedule A, Lessee will have taken possession of all items shown above and that the Lessee's Acceptance Certificate, or Acceptance Certificates, will be signed by Lessee and delivered to Lessor on or before three (3) years from the date of this Schedule A.

2. Lessee hereby certifies that the description of the Equipment set forth above is accurate and reasonably identifies it for UCC purposes. The Equipment identified in item one (1)

As of the date of this Schedule A, Lessee has not taken possession of the Equipment shown above. It is expected that by three (3) years from the date of this Schedule A, Lessee will have taken possession of all items shown above and that the Lessee's Acceptance Certificate, or Acceptance Certificates, will be signed by Lessee and delivered to Lessor on or before three (3) years from the date of this Schedule A.

2. Lessee hereby certifies that the description of the Equipment set forth above is accurate and reasonably identifies it for UCC purposes. The Equipment identified in item one (1) above shall be located at various locations in the City of San Antonio, Texas, County of Bexar.

3. The following terms are applicable to the lease/purchase of the Equipment set forth in this Schedule A:

(a) Lease Term Commencement Date: The date of execution and delivery of this Schedule A, including Attachments B through K thereto, and the satisfaction of all conditions of the Master Lease.

(b) Lease Term: The period beginning with the Lease Term Commencement Date and shall terminate in accordance with section 3.3 of the Master Lease Agreement.

(c) Taxable Rate. The Taxable Rate of interest is 1.09% for the Refuse Containers and 1.29% for the Refuse Collection Trucks.

(d) Acquisition Period: The period beginning with the Lease Term Commencement Date and continuing through and including August 17, 2017.

4. The Lease Proceeds which Lessor shall pay or provide to Lessee in connection with this Schedule A, is $24,030,918.00 of which $_____22,500_.00 is for payment of the costs of issuance incurred by Lessee. Lessor has no issuance costs. Such Lease Proceeds shall be deposited into the Equipment Acquisition Account and disbursed for payments of the Total Contract Price of the Equipment, or portions thereof, upon receipt by Lessor of an Acceptance Certificate, or Acceptance Certificates, executed by Lessee.

5. Interest on the Lease Proceeds attributable to the Refuse Containers shall accrue from the date hereof and the payment dates and Lease Payment amounts (including the principal and interest components thereof, calculated at the Interest Rate of 1.09% per annum are as follows:

See Attachment L to Schedule A

6. Interest on the Lease Proceeds attributable to the Refuse Collection Trucks and Brush Collection Truck shall accrue from the date hereof and the payment dates and Lease Payment amounts (including the principal and interest components thereof, calculated at the Interest Rate of 1.29% per annum are as follows:

See Attachment M to Schedule A

7. Until Lessee receives written notification to the contrary, all payments due under the Master Lease and this Schedule A, including but not limited to Lease Payments, are to be paid to and all notices are to be sent to the following respective addresses:

The address for notices is:

Banc of America Public Capital Corp
555 California Street, 4th Floor
San Francisco, CA 94104
Attention: Contract Administration
Mail Code: CA5-705-04-01

City of San Antonio, Texas
Finance Department
111 Soledad, 5th Floor
San Antonio, TX 78205
Attention: Division of Financial Management

The address for payments is:

Banc of America Public Capital Corp
P.O. Box 100918
Atlanta, Georgia 30384-0918

8. Lessee further represents, covenants and warrants that it will not take, cause to be taken or fail to take any action which will cause the interest component of any Lease Payments to be or become subject to federal income taxation under the Code and that all of its representations, covenants and warranties of Lessee contained in the Master Lease were true and accurate as of the date made, remain true and accurate as of the date of this Schedule A and are hereby reaffirmed.

9. Lessee shall deliver or cause to be delivered an opinion of counsel concurrently with the execution and delivery of this Schedule A in the form of Attachment G to Exhibit A of the Master Lease and execute an IRS Form 8038-G (or, IRS Form 8038-GC if the Total Contract Price of the Equipment is less than one hundred thousand ($100,000) dollars substantially in the form of Attachment H to Exhibit A of the Master Lease.

10. Lessee shall deliver or cause to be delivered concurrently with the execution and delivery of Schedule A, documents in the respective forms of Attachments B through K hereto. Lessee shall deliver its Acceptance Certificate, or Acceptance Certificates, in the form of Attachment A hereto in accordance with the terms of Section 14 of the Master Lease.

11. Attached hereto as Attachment B and incorporated herein by reference is an original Essential Use Certificate executed by an Authorized Officer of Lessee.

12. Attached hereto as Attachment C and incorporated herein by reference is an original Certificate of Appropriation executed by an Authorized Officer of Lessee.

13. Attached hereto as Attachment D and incorporated herein by reference is an original General Certificate, executed by Authorized Officers of Lessee.

14. Attached hereto as Attachment E and incorporated herein by reference is an original Certificate of City Clerk, executed by Authorized Officers of Lessee.

15. Attached hereto as Attachment F and incorporated herein by reference is an original Signature and No-Litigation Certificate, executed by Authorized Officers of Lessee.

16. Attached hereto as Attachment G and incorporated herein by reference is an original opinion of legal counsel to Lessee relating to the Agreement and this Schedule A. Lessor may, in its sole discretion, waive this requirement.

17. Attached hereto as Attachment H is an IRS Form 8038-G (or IRS Form 8038-GC if the Total Contract Price of the Equipment is less than one hundred thousand ($100,000) dollars of Lessee.

18. Attached hereto as Attachment I is an original Cross-Receipt executed by an Authorized Officer of Lessee and Lessor.

19. Attached hereto as Attachment J is an original Federal Tax Certificate executed by an Authorized Officer of Lessee.

20. Attached hereto as Attachment K are copies of executed and filed financing statement(s) evidencing Lessor's security interest in the Equipment. Provided, however, Lessee may deliver one or more financing statement(s), or amended financing statement(s) evidencing Lessor's security interest in the Equipment as reflected on each Acceptance Certificate.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereunto affix their signatures to this Schedule A as of the day and year first written above.

BANC OF AMERICA PUBLIC CAPITAL CORP,
as Lessor

By: _____

Name: _____

Title: _____

CITY OF SAN ANTONIO, TEXAS,
as Lessee

By: _____

Name: Troy Elliott

Title: Finance Director

ATTACHMENT A TO SCHEDULE A

FORM OF
LESSEE'S ACCEPTANCE CERTIFICATE

Part I:

The **CITY OF SAN ANTONIO, TEXAS** (*"Lessee"*), as lessee under that certain **MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT** dated as of February 17, 2016, and under Schedule A, thereto dated as of February 17, 2016 (collectively, the *"Agreement"*), with **BANC OF AMERICA PUBLIC CAPITAL CORP,** as lessor (*"Lessor"*) hereby acknowledges receipt in good condition of all of the Equipment described in Part II below (the *"Equipment"*), hereby accepts such Equipment and hereby certifies:

(a) That Lessee has fully and satisfactorily performed all covenants and conditions to be performed by it under the Agreement with regard to such Equipment; provided, however, that this certification does not constitute a waiver by Lessee of any rights against third parties, including the Vendor(s) under the Purchase Agreement(s) (as such terms are defined in the Agreement) with respect to such Equipment, which exist at the date hereof or which may subsequently come into being; and

(b) That such Equipment is fully insured in accordance with Section 6.7 of the Agreement.

Part II:

The Equipment which is governed by the Agreement identified in Part I above is as follows:

Item (Quantity)	Description, Make, Model	Total Contract Price

DATED: _____, 20____.

CITY OF SAN ANTONIO, TEXAS,
as Lessee

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

By: _____

Name: Troy Elliott

Title: Chief Financial Officer

ATTACHMENT B TO SCHEDULE A

ESSENTIAL USE CERTIFICATE

I, the undersigned Authorized Officer of the **CITY OF SAN ANTONIO, TEXAS** *("Lessee")* acting in my capacity as such, hereby certify with respect to the **MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT,** dated as of February 17, 2016 by and between Lessee, as lessee, and **BANC OF AMERICA PUBLIC CAPITAL CORP**, as lessor (*"Lessor"*) and Schedule A, dated as of February 17, 2016, issued thereunder (*"Schedule A"*), that the Equipment referenced in Schedule A shall be used for the following purpose:

In connection with the operation of the Lessee's refuse collection operations within its Solid Waste Management Department, at various locations within and without the boundaries of Lessee.

The undersigned hereby further certify and represent that the use of the Equipment is essential to the proper, efficient and economic operation of Lessee.

DATED: February 17, 2016.

CITY OF SAN ANTONIO, TEXAS,
as Lessee

By: _____

Name: Troy Elliott

Title: Finance Director

ATTACHMENT C TO SCHEDULE A

CERTIFICATE OF APPROPRIATION

I, the undersigned Authorized Officer of the **CITY OF SAN ANTONIO, TEXAS** (*"Lessee"*), hereby certify that all Lease Payments (as defined in the Agreement) presently due under that certain **MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT** (*"Agreement"*) dated as of February 17, 2016, between Lessee and **BANC OF AMERICA PUBLIC CAPITAL CORP** (*"Lessor"*), and Schedule A, dated as of February 17, 2016 thereunder (*"Schedule A"*) for the fiscal year ending September 30, 2016 are available, unexhausted, unencumbered appropriation of unobligated funds for Lessee, representing the sum of its Lease Payment obligations owing under the Agreement and Schedule A during such fiscal year.

IN WITNESS WHEREOF, I have set my hand this 12th day of February, 2016, to be effective from and after February 17, 2016.

CITY OF SAN ANTONIO, TEXAS,
as Lessee

By: _____

Name: Troy Elliott

Title: Finance Director

ATTACHMENT D TO SCHEDULE A

GENERAL CERTIFICATE
OF
CITY OF SAN ANTONIO, TEXAS

I, the undersigned Authorized Officer of the **CITY OF SAN ANTONIO, TEXAS,** (*"Lessee"*) acting in my official capacity as such, hereby certify with respect to the **MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT**, dated as of February 17, 2016, (the *"Master Lease")* by and between Lessee, as lessee, and **BANC OF AMERICA PUBLIC CAPITAL CORP**, as lessor (*"Lessor"*) and Schedule A issued thereunder (the Master Lease and Schedule A collectively referred to as the *"Agreement"*), as follows:

1. That Lessee is a body corporate and politic and a Texas home rule municipality, and was validly created and exists under the laws and the Constitution of the State of Texas and is a political subdivision or governmental agency thereof.

2. That as of the date of approval of the Master Lease and Schedule A, the following named persons constitute the members of the City Council of Lessee:

Ivy R. Taylor	Mayor
Rey Saldana	Mayor Pro Tem, District 4
Roberto C. Trevino	Councilmember, District 1
Alan E. Warrick, III	Councilmember, District 2
Rebecca Viagran	Councilmember, District 3
Shirley Gonzales	Councilmember, District 5
Ray Lopez	Councilmember, District 6
Cris Medina	Councilmember, District 7
Ron Nirenberg	Councilmember, District 8
Joe Krier	Councilmember, District 9
Michael Gallagher	Councilmember, District 10

3. The City Council of Lessee duly adopted by a majority vote the Ordinance Regarding Leasing Certain Equipment (the *"Ordinance"*) authorizing and approving the entering into the Master Lease and Schedule A to the Master Lease, at a duly called public meeting, at which a quorum was present and acting throughout; the Ordinance is in full force and effect and has not been altered, amended or repealed as of the date hereof; that said meeting was duly called and open to the public in accordance with the laws of the State of Texas.

4. The following described instruments (collectively, the *"Instruments"*), as executed and delivered or authorized by Lessee, are in substantially the same form and text as copies of such Instruments which were before and were approved or ratified by the City Council of Lessee, and which the officers of Lessee were authorized to execute and deliver for and on behalf of Lessee:

(a) Master Lease; and

(b) Schedule A (including Attachments A through M thereto).

5. To the best knowledge of the undersigned, on the date hereof, Lessee is not in default in the performance or observance of any of the covenants, conditions, agreements or provisions of the Instruments.

6. The representations and warranties of Lessee contained in the Instruments are correct on and as of the date hereof as though made on and as of such date.

IN WITNESS WHEREOF, we have duly executed this certificate this 17th day of February, 2016.

CITY OF SAN ANTONIO, TEXAS,
as Lessee

By: _____

Name: Troy Elliott

Title: Finance Director

ATTACHMENT E TO SCHEDULE A

FORM OF

CERTIFICATE OF CITY CLERK
OF
CITY OF SAN ANTONIO, TEXAS

THE UNDERSIGNED HEREBY CERTIFIES that:

1. The City of San Antonio, Texas (the "City") is a body corporate and politic and a Texas home rule municipality, and was validly created and exists under the laws and the Constitution of the State of Texas and is a political subdivision or governmental agency thereof.

2. On the 11th day of February, 2016, the City Council (the *"Council"*) of the City convened in regular session at its regular meeting place in the Municipal Plaza Building of the City (the *"Meeting"*), the duly constituted members of the Council being as follows:

Ivy R. Taylor	Mayor
Rey Saldana	Mayor Pro Tem, District 4
Roberto C. Trevino	Councilmember, District 1
Alan E. Warrick, III	Councilmember, District 2
Rebecca Viagran	Councilmember, District 3
Shirley Gonzales	Councilmember, District 5
Ray Lopez	Councilmember, District 6
Cris Medina	Councilmember, District 7
Ron Nirenberg	Councilmember, District 8
Joe Krier	Councilmember, District 9
Michael Gallagher	Councilmember, District 10

and all of such persons were present at the Meeting, except the following: _____ _____, thus constituting a quorum. Among other business considered at the Meeting, the attached Ordinance (the *"Ordinance"*) entitled:

AUTHORIZING THE MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT WITH BANC OF AMERICA PUBLIC CAPITAL CORP AND AN ESCROW AND ACCOUNT CONTROL AGREEMENT WITH BANK OF AMERICA PUBLIC CAPITAL CORP AND FROST BANK FOR THE ACQUISTION OF VARIOUS EQUIPMENT FOR THE SOLID WASTE MANAGEMENT DEPARTMENT; AUTHORIZING SCHEDULE A TO THE MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT IN THE TOTAL AMOUNT OF $24,030,918.00, AUTHORIZING THE EXECUTION OF DOCUMENTS RELATED TO THE TRANSACTION; ENACTING OTHER PROVISIONS INCIDENT AND RELATED TO THE SUBJECT AND PURPOSE OF THIS ORDINANCE; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE.

was introduced and submitted to the Council for passage and adoption. After presentation and due consideration of the Ordinance, a motion was made by Councilmember _____ that the Ordinance be finally passed and adopted in accordance with the City's Home Rule Charter. The motion was seconded by Councilmember _____ and carried by the following vote:

_____ voted "For" _____ voted Against" _____ abstained

all as shown in the official Minutes of the Council for the Meeting.

3. The attached Ordinance is a true and correct copy of the original on file in the official records of the City; the duly qualified and acting members of the Council of the City on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Council was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Ordinance would be considered; and the Meeting and deliberation of the aforesaid public business, including the subject of the Ordinance, was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the City, this ___ day of February, 2016.

_____

City Clerk, City of San Antonio, Texas

(SEAL)

CERTIFIED COPY OF ORDINANCE ADOPTED BY LESSEE'S CITY COUNCIL

[see attached]

ATTACHMENT F TO SCHEDULE A

FORM OF
SIGNATURE AND NO-LITIGATION CERTIFICATE

We, the undersigned Authorized Officers of the **CITY OF SAN ANTONIO, TEXAS** (*"Lessee"*), acting in our official capacities as such, hereby certify with respect to the **MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT**, dated as of February 17, 2016 (the *"Master Lease"*) by and between Lessee, as lessee, and **BANC OF AMERICA PUBLIC CAPITAL CORP**, as lessor (*"Lessor"*) and Schedule A, dated as of February 17, 2016 issued thereunder (the Master Lease and Schedule A, collectively referred to as the *"Agreement"*) as follows:

1. The Master Lease and Schedule A, have been duly and officially executed by the undersigned with their manual or facsimile signatures in the same manner appearing thereon, and the undersigned hereby adopt and ratify their respective signatures in the manner appearing on each side of the Master Lease and Schedule A, whether in manual or facsimile form, as the case may be, as their true, genuine, and official signature.

2. That on the date of Schedule A and on the date hereof, we were and are the duly qualified and acting officers indicated therein and authorized to execute the same.

3. The legally adopted proper and official corporate seal of Lessee is impressed or imprinted on the Master Lease and Schedule A, and impressed on this certificate.

4. No litigation of any nature is now pending before any federal or state court in Bexar County, Texas, or administrative body, or to our knowledge threatened, seeking to restrain or enjoin the issuance or delivery of the Master Lease or Schedule A, the authority or action of the City Council of Lessee relating to the issuance or delivery of the Master Lease or Schedule A, the collection of the revenues of Lessee or the imposition of rates and charges with respect to Lessee, pledged to pay the Lease Payments on Schedule A, or that would otherwise adversely affect in a material manner the financial condition of Lessee to pay the Lease Payments on Schedule A, and that neither the corporate existence or boundaries of Lessee nor the right to hold office of any member of the City Council of Lessee or any other elected or appointed official of Lessee is being contested or otherwise questioned.

5. That no petition or other request has been filed with or presented to any official of Lessee requesting any proceeding authorizing the issuance of the Master Lease or Schedule A, adopted by the City Council of Lessee be submitted to a referendum or other election; no authority or proceeding for the issuance, sale, or delivery of the Master Lease or Schedule A, passed and adopted by the City Council of Lessee, has been amended, repealed, revoked, rescinded, or otherwise modified since the date of passage thereof, and all such proceedings and authority relating to the issuance and delivery of the Master Lease or Schedule A, remain in full force and effect as of the date of this certificate.

EXECUTED AND DELIVERED as of the 17th day of February, 2016.

(SEAL)

SIGNATURE	**OFFICIAL TITLE**
_____	Mayor
_____	City Manager
_____	City Clerk
_____	Chief Financial Officer

BEFORE ME, on this day personally appeared the foregoing individuals, known to me to be the persons whose names are subscribed to the foregoing instrument.

GIVEN UNDER MY HAND AND SEAL of office, this _____ day of February, 2016.

(NOTARY SEAL)

_____
Notary Public, State of Texas

EXECUTED AND DELIVERED as of the 17th day of February, 2016.

(SEAL)

SIGNATURE	**OFFICIAL TITLE**
_____	Mayor
_____	City Manager
_____	City Clerk
_____	Finance Director

BEFORE ME, on this day personally appeared the foregoing individuals, known to me to be the persons whose names are subscribed to the foregoing instrument.

GIVEN UNDER MY HAND AND SEAL of office, this _____ day of February, 2016.

(NOTARY SEAL)

_____
Notary Public, State of Texas

ATTACHMENT G TO SCHEDULE A

FORM OF
OPINION OF COUNSEL TO LESSEE

[see attached]

ATTACHMENT H TO SCHEDULE A

IRS Form 8038-G or IRS Form 8038-GC (if less than $100,000)

(IRS FORM 8038-G OR IRS FORM 8038-GC FOLLOW)

[see attached]

ATTACHMENT I TO SCHEDULE A

CROSS-RECEIPT

With respect to the MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT, dated as of February 17, 2016 (the *"Master Lease"*) by and between BANC OF AMERICA PUBLIC CAPITAL CORP, as lessor (*"Lessor"*) and the CITY OF SAN ANTONIO TEXAS, as lessee (*"Lessee"*) and Schedule A, dated as of February 17, 2016 to the Master Lease:

Lessor hereby acknowledges the lease to Lessee of the Equipment listed on Schedule A, to the Master Lease and receipt from Lessee of Schedule A to the Master Lease dated as of the date hereof.

Lessee hereby acknowledges the lease of the Equipment pursuant to the Master Lease and Schedule A to the Master Lease.

Dated: February 17, 2016

BANC OF AMERICA PUBLIC CAPITAL CORP,
as Lessor

By: _____

Name: _____

Title: _____

CITY OF SAN ANTONIO, TEXAS,
as Lessee

By: _____

Name: Troy Elliott

Title: Finance Director

ATTACHMENT J TO SCHEDULE A

FORM OF

FEDERAL TAX CERTIFICATE

[SEE ATTACHED]

FEDERAL TAX CERTIFICATE

I, the undersigned officer of the City of San Antonio, Texas (the "City"), make this certification for the benefit of all persons interested in the exclusion from gross income for federal income tax purposes of the interest to be paid by the City under the Master Equipment Lease/Purchase Agreement, including the schedules thereto, dated February 17, 2016 (the "Finance Agreement"), by and between the City and Banc of America Public Capital Corp (the "Lender"). The Finance Agreement is being issued in the original principal amount of $24,030,918 and delivered simultaneously with the delivery of this Federal Tax Certificate. I do hereby certify as follows in good faith as of the date hereof:

1. Definitions. Each capitalized term used in this Federal Tax Certificate has the meaning ascribed to such term below or has the meaning or is the amount, as the case may be, specified for such term in this Federal Tax Certificate or in Exhibits to this Federal Tax Certificate and for all purposes hereof has the meaning or is the amount therein specified. All such terms defined in the Code or Regulations that are not defined herein shall for all purposes hereof have the same meanings as given to those terms in the Code and Regulations unless the context clearly requires otherwise.

"***Authorizing Document***" means the ordinance adopted by the City on February 11, 2016, for purposes of authorizing the City to enter into the Finance Agreement.

"***Code***" means the Internal Revenue Code of 1986, as amended.

"***Equipment***" means the personal property acquired with the Proceeds of the Finance Agreement, as more fully described in Schedule A, Exhibit A, to the Finance Agreement.

"***Equipment Acquisition Account***" means the "City of San Antonio Tax-Exempt Equipment Lease/Purchase for Solid Waste Account (2016)" established pursuant to the Escrow Agreement into which the Escrow Agent will deposit Proceeds of the Finance Agreement received from the Lender from which the City will use to pay the costs of the Equipment.

"***Escrow Agent***" means Frost Bank, San Antonio, Texas.

"***Escrow Agreement***" means the Escrow and Account Control Agreement, made and entered into as of February 17, 2016, by and between the Lender, the City and the Escrow Agent.

"***Favorable Opinion of Bond Counsel***" means an opinion of nationally recognized bond counsel to the effect that an action, or omission of an action, does not adversely affect the excludability from gross income for federal income tax purposes of interest payable on the Finance Agreement.

"***Finance Contract***" means the Public Property Finance Contract, dated February 17, 2016, by and between the City and JPMorgan Chase Bank, N.A.

"***Finance Issue***" means, collectively, the Finance Agreement and the Finance Contract, which will be treated as a single tax issue for federal tax purposes, as set forth in the "Issue" paragraph herein.

"***Gross Proceeds***" means any Proceeds and any Replacement Proceeds.

"***Investment Proceeds***" is defined in section 1.148-1(b) of the Regulations and, generally, consists of any amounts actually or constructively received from investing Proceeds.

"***Issuance Costs***" means costs to the extent incurred in connection with, and allocable to, the issuance of an issue of obligations within the meaning of section 147(g) of the Code. For example, Issuance Costs include the following costs, but only to the extent incurred in connection with, and allocable to, the borrowing: underwriters' spread; counsel fees; financial advisory fees; fees paid to an organization to evaluate the credit quality of an issue; trustee fees; paying agent fees; bond registrar, certification and authentication fees; accounting fees; printing costs for bonds and offering documents; public approval process costs; engineering and feasibility study costs; guarantee fees, other than qualified guarantees; and similar costs.

"***Issue Date***" means, with respect to the Finance Agreement, the first date on which the City receives the purchase price in exchange for delivery of the evidence of indebtedness.

"***Issue Price***" means the "issue price" as defined in sections 1273 and 1274 of the Code, unless otherwise provided in sections 1.148-0 through 1.148-11 of the Regulations and, generally, is the price that represents the price paid by the Lender for the Finance Agreement.

"***Minor Portion***" means that portion of the Gross Proceeds of the Finance Agreement that does not exceed in the aggregate $100,000.

"***Net Proceeds***" means Proceeds, less any Proceeds invested in a "reasonably required reserve or replacement fund," as described in section 148 of the Code.

"***Original Issue Discount***" means the excess of the Stated Redemption Price at Maturity over the Issue Price.

"***Pre-Issuance Accrued Interest***" is defined in section 1.148-1(b) of the Regulations and, generally, means amounts representing interest that accrued on an obligation for a period not greater than one year before its Issue Date but only if those amounts are paid within one year after the Issue Date.

"***Proceeds***" is defined in section 1.148-1(b) of the Regulations and, generally, means any Sale Proceeds and Investment Proceeds.

"***Regulations***" means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

"***Replacement Proceeds***" has the meaning set forth in section 1.148-1(c) of the Regulations and, generally, consist of amounts that have a sufficiently direct nexus to an issue of obligations or the governmental purpose of an issue of obligations to conclude that the amounts would have been used for that governmental purpose if the Proceeds were not used or to be used for that governmental purpose.

"***Sale Proceeds***" is defined in section 1.148-1(b) of the Regulations and, generally, consists of any amounts actually or constructively received from the sale (or other disposition) of any obligation, including amounts used to pay underwriters' discount or compensation and accrued interest other than Pre-Issuance Accrued Interest. Sale Proceeds also include amounts derived from the sale of a right that is associated with any obligation and that is described in section 1.148-4(b)(4) of the Regulations.

"***Stated Redemption Price at Maturity***" means the amount fixed by the last modification of the purchase agreement and includes interest and other amounts payable at that time (other than any interest based on a fixed rate and payable unconditionally at fixed periodic intervals of one year or less during the entire term of the debt instrument).

"***Weighted Average Maturity***" has the meaning ascribed to it in the "Weighted Average Maturity" paragraph of this Federal Tax Certificate.

"***Yield***" on (a) an issue of obligations has the meaning set forth in section 1.148-4 of the Regulations and, generally, is the discount rate that when used in computing the present value of all payments of principal and interest to be paid on the obligation produces an amount equal to the Issue Price of such issue and (b) any investment has the meaning set forth in section 1.148-5 of the Regulations and, generally, is the discount rate that when used in computing the present value of all payments of principal and interest to be paid on the investment produces an amount equal to all payments for the investment.

2. Responsible Officer. I am the duly chosen, qualified and acting officer of the City for the office shown below my signature; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this Federal Tax Certificate on behalf of the City. I am the officer of the City charged, along with other officers of the City, with responsibility for issuing the Finance Agreement.

3. Code and Regulations. I am aware of the provisions of sections 141, 148, 149 and 150 of the Code and the Regulations heretofore promulgated under sections 141, 148, 149 and 150 of the Code. This Federal Tax Certificate is being executed and delivered pursuant to sections 1.141-1 through 1.141-15, 1.148-0 through 1.148-11, 1.149(b)-1, 1.149(d)-1, 1.149(g)-1, 1.150-1 and 1.150-2 of the Regulations.

4. Reasonable Expectations. The facts and estimates that are set forth in this Federal Tax Certificate are accurate. The expectations that are set forth in this Federal Tax Certificate are reasonable in light of such facts and estimates. There are no other facts or estimates that would materially change such expectations. In connection with this Federal Tax Certificate, the undersigned has to the extent necessary reviewed the certifications set forth herein with other representatives of the City as to such accuracy and reasonableness. The undersigned has also relied, to the extent appropriate, on representations set forth in the Certificate of the Lender, attached as Exhibit A to this Federal Tax Certificate. The undersigned is aware of no fact, estimate or circumstance that would create any doubt regarding the accuracy or reasonableness of all or any portion of such documents.

5. Description of Governmental Purpose. The City is issuing the Finance Agreement pursuant to the Authorizing Document to (a) fund the acquisition and delivery of the Equipment, which generally includes refuse collection trucks, 64-gallon carts, 48-gallon carts, and 96-gallon carts, each to be used by the City's Solid Waste Management Department and (b) pay the Issuance Costs of the Finance Agreement.

6. Amount and Expenditure of Sale Proceeds of the Finance Agreement. The Sale Proceeds of the Finance Agreement will be $24,030,918, representing the Stated Redemption Price at Maturity. The Sale Proceeds of the Finance Agreement will be expended as follows:

(a) Equipment. The amount of $24,008,418 will be deposited in the Equipment Acquisition Account and is expected to be disbursed to pay or reimburse the costs of the Equipment. The aggregate amount of the costs of the Equipment is anticipated to exceed such amount. Any costs of the Equipment not financed out of Proceeds of the Finance Agreement will be financed out of the City's available funds.

(b) Issuance Costs. The amount of $22,500 will be disbursed to pay Issuance Costs of the Finance Agreement.

(c) Reimbursement. Other than (i) the amount of $100,000 and (ii) preliminary expenditures (i.e., architectural, engineering, surveying, soil testing, bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction, or rehabilitation of the Equipment, other than land acquisition, site preparation, and similar costs incident to commencement of construction) not in excess of 20 percent of the Issue Price, no portion of the amount described in the "Amount and Expenditure of Sale Proceeds of the Finance Agreement—Equipment" subparagraph above will be disbursed to reimburse the City for any expenditures made by the City prior to the date that is 60 days before the date the City adopted the Authorizing Document.

(d) No Working Capital. Except for any amount that does not exceed five percent of the Sale Proceeds of the Finance Agreement (and that is directly related to capital expenditures financed by the Finance Agreement), the City will only expend Proceeds of the Finance Agreement for (i) costs that would be chargeable to the capital accounts of the Equipment if the City's income were subject to federal income taxation and (ii) interest on the Finance Agreement in an amount that does not cause the aggregate amount of interest paid the Finance Agreement to exceed that amount of interest on the Finance Agreement that is attributable to the period that commences on the date hereof and ends on the later of (A) the date that is three years from the Issue Date of the Finance Agreement or (B) the date that is one year after the date on which the applicable Equipment is placed in service.

(e) No Sale of Conduit Loan. No portion of the Sale Proceeds of the Finance Agreement has been or will be used to acquire, finance, or refinance any conduit loan.

(f) No Overburdening. The Proceeds of the Finance Agreement will not exceed by more than a Minor Portion the amount necessary to accomplish the governmental purposes of the Finance Agreement and, in fact, are not expected to exceed by any amount the

amount of Proceeds of the Finance Agreement allocated to expenditures for the governmental purposes of the Finance Agreement.

(g) Allocations and Accounting. The Proceeds of the Finance Agreement will be allocated to expenditures not later than 18 months after the later of the date the expenditure is made or the date the applicable Equipment is placed in service, but in no event later than the date that is 60 days after the fifth anniversary of the date hereof or the retirement of the Finance Agreement, if earlier. The allocation of Proceeds of the Finance Agreement will be made by using a reasonable, consistently applied accounting method. No Proceeds of the Finance Agreement will be allocated to any expenditure to which Proceeds of any other obligations have heretofore been allocated. The City will maintain records and documentation regarding the allocation of expenditures to Proceeds of the Finance Agreement and the investment of Gross Proceeds of the Finance Agreement for at least three years after the close of the final calendar year during which the Finance Agreement is outstanding.

7. Pre-Issuance Accrued Interest. There is no Pre-Issuance Accrued Interest on the Finance Agreement.

8. Investment Proceeds. The best estimate of the City is that Investment Proceeds resulting from the investment of any Proceeds of the Finance Agreement described in the "Amount and Expenditure of Sale Proceeds of the Finance Agreement—Equipment" subparagraph above pending expenditure of such Proceeds for costs of the Equipment will be retained in the Equipment Acquisition Account and disbursed to pay or reimburse costs of the Equipment.

9. Replacement Proceeds.

(a) No Sinking Funds. There is no debt service fund, redemption fund, reserve fund, replacement fund, or similar fund reasonably expected to be used directly or indirectly to pay principal or interest on the Finance Agreement.

(b) No Pledged Funds. There is no amount that is directly or indirectly pledged to pay principal or interest on the Finance Agreement, or to a guarantor of part or all of the Finance Agreement, such that such pledge provides reasonable assurance that such amount will be available to pay principal or interest on the Finance Agreement if the City encounters financial difficulty. For purposes of this certification, an amount is treated as so pledged if it is held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of the holders or the guarantor of the Finance Agreement.

(c) No Other Replacement Proceeds. There are no other Replacement Proceeds allocable to the Finance Agreement because the City reasonably expects that the term of the Finance Agreement will not be longer than is reasonably necessary for the governmental purposes of the Finance Agreement. Furthermore, even if the Finance Agreement were outstanding longer than necessary for the purpose of the Finance Agreement, no Replacement Proceeds will arise because the City reasonably expects that no amounts will become available during the period that the Finance Agreement remain outstanding longer than necessary based on the reasonable expectations of the City as to the amounts and timing of future revenues. The

Finance Agreement would be issued to achieve the governmental purpose of the Finance Agreement independent of any arbitrage benefit as evidenced by the expectation that the Finance Agreement reasonably would have been issued if the interest on the Finance Agreement were not excludable from gross income (assuming that the hypothetical taxable interest rate would be the same as the actual tax-exempt interest rate).

(d) Weighted Average Economic Life. The Weighted Average Maturity of the Finance Agreement is not greater than 120 percent of the weighted average estimated economic life of the portion of the Equipment financed by the Finance Agreement, determined in accordance with section 147(b) of the Code. Such weighted average estimated economic life is determined in accordance with the following assumptions: (i) the weighted average was determined by taking into account the respective costs of each of the assets financed by the Finance Agreement; (ii) the reasonably expected economic life of an asset was determined as of the later of the date hereof or the date on which such asset is expected to be placed in service (i.e., available for use for the intended purposes of such asset); (iii) the economic lives used in making this determination are not greater than the reasonably expected economic useful lives of the Equipment financed by the Finance Agreement allowing for normal wear and tear and assuming prudent and customary maintenance; and (iv) land or any interest therein has not been taken into account in determining the average reasonably expected economic life of such Equipment.

10. Yield on the Finance Agreement. As set forth in the "Issue" paragraph below, the Finance Agreement and the Finance Contract will be treated as a single issue for federal tax purposes. For the purposes of this Federal Tax Certificate, the Yield on the Finance Issue is the discount rate that, when used in computing the present value as of the Issue Date of the Finance Issue, of all unconditionally payable payments of principal and interest on the Finance Issue, produces an amount equal to the present value, using the same discount rate, of the aggregate Issue Price of the Finance Issue as of the Issue Date.

The Issue Price of the Finance Issue is the first price at which the Finance Agreement and the Finance Contract were sold to the respective lenders. The City has been informed by such lenders that each intends to hold such instruments for its own account and neither is being offered to the public or issued in exchange for property.

The combined Yield on the Finance Agreement and the Finance Contract is calculated by treating the outstanding stated principal amounts as payable on the dates set forth in the Amortization Schedule included in Schedule A, Exhibit A, to the Finance Agreement and in the Payment Schedule attached to the Loan Schedule that is part of the Finance Contract. The City has no present intention of exercising the purchase option under the Finance Agreement or the Finance Contract prior to its maturity.

As set forth in Exhibit B attached hereto, the Yield on the Finance Issue, calculated in the manner set forth above, is 1.2406 percent.

The City has not entered into a hedging transaction with respect to the Finance Agreement. The City will not enter into a hedging transaction with respect to the Finance Agreement unless there is first received a Favorable Opinion of Bond Counsel.

11. Temporary Periods and Yield Restriction.

(a) Equipment. The City has incurred, or will incur within six months of the date hereof, a binding obligation to a third party that is not subject to any contingencies within the control of the City or a related party pursuant to which the City is obligated to expend at least five percent of the Sale Proceeds of the Finance Agreement on the Equipment. The City reasonably expects that work on or acquisition of the Equipment will proceed with due diligence to completion and that the Proceeds of the Finance Agreement will be expended on the Equipment with reasonable dispatch. The City reasonably expects that 85 percent of the Sale Proceeds of the Finance Agreement will have been expended on the Equipment prior to the date that is three years after the Issue Date of the Finance Agreement. Any Sale Proceeds of the Finance Agreement not expended prior to the date that is three years after the Issue Date of the Finance Agreement, will be invested at a Yield not "materially higher" than the Yield on the Finance Agreement, except as set forth in the "Minor Portion and Yield Reduction Payments" paragraph below. The City reasonably expects that any amount derived from the investment of moneys received from the sale of the Finance Agreement and from the investment of such investment income will not be commingled with substantial other receipts or revenues of the City and will be expended prior to the date that is three years after the Issue Date of the Finance Agreement, or one year after receipt of such investment income, whichever is later. Any such Investment Proceeds not expended prior to such date will be invested at a Yield not "materially higher" than the Yield on the Finance Agreement, except as set forth in the "Minor Portion and Yield Reduction Payments" paragraph below.

(b) Issuance Costs. It is expected that the amount described in the "Amount and Expenditure of Sale Proceeds of the Finance Agreement—Issuance Costs" subparagraph above will be disbursed within 30 days of the date hereof for Issuance Costs of the Finance Agreement; therefore, such amount will be invested for an allowable temporary period. To the extent any portion of the amount described in the "Amount and Expenditure of Sale Proceeds of the Finance Agreement—Issuance Costs" subparagraph is not expended as described herein, the City will take steps to restrict the investment of such amounts to a Yield which is not materially higher than the Yield on the Finance Agreement.

12. Funds.

(a) No Debt Service Fund. As described under the "Replacement Proceeds" paragraph above, the City has not established a debt service fund, redemption fund, reserve fund, replacement fund, or similar fund reasonably expected to be used directly or indirectly to pay principal or interest on the Finance Agreement. Accordingly, there is no assurance that amounts on deposit with the City, if any, will be available to pay debt service on the Finance Agreement if the City encounters financial difficulties.

(b) Equipment Acquisition Account. All of the Proceeds of the Finance Agreement in the Equipment Acquisition Account are expected to be invested and disbursed as described in the Escrow Agreement and the "Temporary Periods and Yield Restriction—Equipment" subparagraph of this Federal Tax Certificate; therefore, all of such amounts will be invested without regard to Yield restriction. Nevertheless, any such Proceeds not expended prior

to the dates set forth in the "Temporary Periods and Yield Restriction—Equipment" subparagraph will be Yield restricted to the extent set forth in such subparagraph.

13. Minor Portion and Yield Reduction Payments. All Gross Proceeds of the Finance Agreement will be invested in accordance with the "Temporary Periods and Yield Restriction" paragraph and the "Funds" paragraph above. To the extent such amounts remain on hand following the periods set forth in the "Temporary Periods and Yield Restriction" paragraph and the "Funds" paragraph above or exceed the limits set forth in the "Funds" paragraph above, the City will invest such amounts at a restricted Yield as set forth in such paragraphs; provided, however, that an amount not to exceed the Minor Portion may be invested at a Yield that is higher than the Yield on the Finance Agreement and, provided further, that the City may satisfy the yield restriction requirements by making yield reduction payments to the federal government to the extent permitted by section 1.148-5(c) of the Regulations.

14. Issue. Other than the Finance Contract, there are no other obligations that (a) are sold at substantially the same time as the Finance Agreement (i.e., less than 15 days apart), (b) are sold pursuant to the same plan of financing with the Finance Agreement, and (c) will be paid out of substantially the same source of funds as the Finance Agreement. Pursuant to section 1.150-1(c)(2) of the Regulations, the Finance Agreement and the Finance Contract will be treated as a single issue for federal tax purposes.

15. Compliance With Rebate Requirements. The City has covenanted in the Finance Agreement that, if it does not qualify for an exception to the requirements of section 148(f) of the Code relating to the required rebate to the United States, it will take all steps necessary to comply with the requirement that "rebatable arbitrage earnings" on the investment of the Gross Proceeds of the Finance Agreement be rebated to the United States. Specifically, the City will (i) maintain records regarding the investment of the Gross Proceeds of the Finance Agreement as may be required to calculate such "rebatable arbitrage earnings" separately from records of amounts on deposit in the funds and accounts of the City that are allocable to other bond issues of the City or moneys that do not represent Gross Proceeds of any bonds of the City, (ii) calculate at such intervals as may be required by applicable Regulations, the amount of "rebatable arbitrage earnings," if any, earned from the investment of the Gross Proceeds of the Finance Agreement, and (iii) pay, not less often than every fifth anniversary date of the delivery of the Finance Agreement and within 60 days following the final maturity of the Finance Agreement, or on such other dates required or permitted by applicable Regulations, all amounts required to be rebated to the federal government. The City will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the Gross Proceeds of the Finance Agreement that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm's-length and had the Yield on the issue not been relevant to either party.

16. Not an Abusive Transaction.

(a) General. No action taken in connection with the issuance of the Finance Agreement will enable the City to (i) exploit, other than during an allowable temporary period,

the difference between tax-exempt and taxable interest rates to obtain a material financial advantage (including as a result of an investment of any portion of the Gross Proceeds of the Finance Agreement over any period of time, notwithstanding that, in the aggregate, the Gross Proceeds of the Finance Agreement are not invested in higher yielding investments over the term of the Finance Agreement), and (ii) issue more bonds, issue bonds earlier, or allow bonds to remain outstanding longer than is otherwise reasonably necessary to accomplish the governmental purposes of the Finance Agreement. To the best of our knowledge, no actions have been taken in connection with the issuance of the Finance Agreement other than actions that would have been taken to accomplish the governmental purposes of the Finance Agreement if the interest on the Finance Agreement were not excludable from gross income for federal income tax purposes (assuming the hypothetical taxable interest rate would be the same as the actual tax-exempt interest rate on the Finance Agreement).

(b) No Sinking Fund. No portion of the Finance Agreement has a term that has been lengthened primarily for the purpose of creating a sinking fund or similar fund with respect to the Finance Agreement.

(c) No Window. No portion of the Finance Agreement has been structured with maturity dates the primary purpose of which is to make available released revenues that will enable the City to avoid transferred proceeds or to make available revenues that may be invested to be ultimately used to pay debt service on another issue of obligations.

17. No Arbitrage. On the basis of the foregoing facts, estimates and circumstances, it is expected that the Gross Proceeds of the Finance Agreement will not be used in a manner that would cause the Finance Agreement to be an "arbitrage bond" within the meaning of section 148 of the Code and the Regulations. To the best of the knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that would materially change such expectations.

18. No Private Use, Payments or Loan Financing.

(a) General. The City reasonably expects, as of the date hereof, that no action or event during the entire stated term of the Finance Agreement will cause either the "private business tests" or the "private loan financing test," as such terms are defined in the Regulations, to be met.

(i) Based on the reasonable belief of the City, no portion of the Proceeds of the Finance Agreement will be used in a trade or business of a nongovernmental person. For purposes of determining use, the City will apply rules set forth in applicable Regulations and Revenue Procedures promulgated by the Internal Revenue Service, including, among others, the following rules: (A) any activity carried on by a person other than a natural person or a state or local governmental unit will be treated as a trade or business of a nongovernmental person, provided that, such use will be treated as general public use (and not use in a trade or business) if the property is intended to be available, and is in fact reasonably available, for use on the same basis by natural persons not engaged in a trade or business; (B) the use of all or any portion of the

Equipment is treated as the direct use of Proceeds; (C) a nongovernmental person will be treated as a private business user of Proceeds of the Finance Agreement as a result of ownership, actual or beneficial use pursuant to a lease, or a management or incentive payment contract, or certain other arrangements such as a take-or-pay or other output-type contract; and (D) the private business use test is met if a nongovernmental person has special legal entitlements to use directly or indirectly the Equipment.

(ii) The City has not taken and will not take any deliberate action that would cause or permit the use of any portion of any Equipment to change so that such portion will be deemed to be used in the trade or business of a nongovernmental person for so long as the Finance Agreement remains outstanding (or until the City receives a Favorable Opinion of Bond Counsel). For this purpose, any action within the control of the City is treated as a deliberate action. A deliberate action occurs on the date the City enters into a binding contract with a nongovernmental person for use of the Equipment that is not subject to any material contingencies.

(iii) Payments of the debt service on the Finance Agreement will be paid from and secured by a generally applicable tax. For this purpose, a generally applicable tax is a tax (A) that is an enforced contribution exacted pursuant to legislative authority in the exercise of the taxing power that is imposed and collected for the purpose of raising revenue to be used for governmental purposes and (B) that has a uniform tax rate that is applied to all persons of the same classification in the appropriate jurisdiction using a generally applicable manner of determination and collection. No portion of the payment of the debt service on the Finance Agreement will be directly or indirectly derived from payments (whether or not to the City or any related party) in respect of property, or borrowed money, used or to be used for a private business use. Furthermore, no portion of the payment of the debt service on the Finance Agreement will be directly or indirectly secured by any interest in property used or to be used for a private business use or payments in respect of property used or to be used for a private business use.

(iv) Except to the extent permitted by section 141 of the Code and the Regulations and rulings thereunder, the City will not use Gross Proceeds of the Finance Agreement to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, Gross Proceeds are considered to be "loaned" to a person or entity if (A) property acquired, constructed or improved with Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes, (B) capacity in or service from such property is committed to such person or entity under a take-or-pay, output, or similar contract or arrangement, or (C) significant benefits and burdens of ownership of such Gross Proceeds or such property are otherwise transferred in a transaction that is the economic equivalent of a loan.

(b) Dispositions of Personal Property in the Ordinary Course. The City does not reasonably expect that it will sell or otherwise dispose of the Equipment other than in the ordinary course of an established governmental program that satisfies the following requirements:

(i) The Weighted Average Maturity of the Finance Agreement is not greater than 120 percent of the reasonably expected actual use of such personal property for governmental purposes;

(ii) The reasonably expected fair market value of such personal property on the date of disposition will be not greater than 25 percent of its cost;

(iii) Such personal property will no longer be suitable for its governmental purposes on the date of disposition; and

(iv) The City is required to deposit amounts received from such disposition in a commingled fund with substantial tax or other governmental revenues and the City reasonably expects to spend such amounts on governmental programs within six months from the date of commingling.

Furthermore, the City will not sell or otherwise dispose of all or any portion of the Equipment in circumstances in which the foregoing requirements are not satisfied unless it has received a Favorable Opinion of Bond Counsel.

(c) Other Agreements. The City will not enter into any agreement with any nongovernmental person regarding the use of all or any portion of the Equipment during the stated term of the Finance Agreement unless it has received in each and every case a Favorable Opinion of Bond Counsel; provided that, the City will not be required to obtain a Favorable Opinion of Bond Counsel with respect to (i) any contracts for services that are solely incidental to the primary governmental function or functions of the Equipment (e.g., contracts for janitorial or similar services), (ii) any contract for services if the only compensation is the reimbursement of the service provider for actual and direct expenses paid by the service provider to unrelated parties; or (iii) any contract related to use of the Equipment as a member of, and on the same basis as, the general public, so long as the term of such contract is not greater than 200 days.

19. Weighted Average Maturity. As set forth in the "Issue" paragraph above, the Finance Agreement and the Finance Contract will be treated as a single issue for federal tax purposes. As shown in the calculations attached hereto as Exhibit B, the combined Weighted Average Maturity of the Finance Issue is 2.2502 years and is the sum of the products of the Issue Price of the Finance Issue and the number of years to maturity (taking into account mandatory payments), divided by the aggregate Sale Proceeds of the Finance Issue.

20. Record Retention. The City will retain all pertinent and material records relating to the use and expenditure of the Proceeds of the Finance Agreement and the calculation or exemption from rebate until three years after the Finance Agreement is paid, or such shorter period as authorized by subsequent guidance issued by the Department of the Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as

hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the City to retrieve and reproduce such books and records in the event of an examination of the Finance Agreement by the Internal Revenue Service.

21. Finance Agreement is Not a Hedge Bond. Not more than 50 percent of the Proceeds of the Finance Agreement will be invested in nonpurpose investments (as defined in section 148(f)(6)(A) of the Code) having a substantially guaranteed Yield for four years or more within the meaning of section 149(g)(3)(A)(ii) of the Code. Further, the City reasonably expects that at least 85 percent of the spendable Proceeds of the Finance Agreement will be used to carry out the governmental purposes of the Finance Agreement within the three-year period beginning on the date the Finance Agreement is issued.

22. Post-Issuance Compliance Procedures. The City has implemented written post-issuance compliance procedures regarding federal tax compliance that include provisions to ensure that all nonqualified bonds of the Finance Agreement are remediated according to the requirements under the Code and Regulations and to monitor the requirements of section 148 of the Code.

EXECUTED as of this 17th day of February, 2016.

CITY OF SAN ANTONIO, TEXAS

By:_____

Name:_____

Title:_____

Attachment:

Exhibit A: Certificate of Lender

Exhibit B: Calculations

Signature page to Federal Tax Certificate

EXHIBIT A

CERTIFICATE OF LENDER

I, the undersigned officer of Banc of America Public Capital Corp (the "Lender"), make this certification for the benefit of all persons interested in the exclusion from gross income for federal income tax purposes of the interest on the Master Equipment Lease/Purchase Agreement, including the schedules thereto, dated February 17, 2016 (the "Finance Agreement"), by and between the City of San Antonio, Texas (the "City") and the Lender. Each capitalized term used herein has the meaning or is the amount, as the case may be, specified for such term in the Federal Tax Certificate to which this Exhibit A is attached (the "Federal Tax Certificate"). I hereby certify as follows in good faith as of the Issue Date of the Finance Agreement:

1. I am the duly chosen, qualified and acting officer of the Lender for the office shown below my signature; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of the Lender. I am the officer of the Lender charged, along with other officers of the Lender, with responsibility for the Finance Agreement.

2. The Lender has purchased the Finance Agreement from the City for an aggregate purchase price of $24,030,918, which price includes no amount of Pre-Issuance Accrued Interest. The Lender intends to hold the Finance Agreement for its own account and not in the capacity of bondhouse, broker, dealer, or similar person or organization acting in the capacity of underwriter or wholesaler. The Finance Agreement is not being offered to the public and is not being issued in exchange for property.

3. To the best of my knowledge the statements set forth in the "Not an Abusive Transaction" paragraph of the Federal Tax Certificate are true.

The City may rely on the statements made herein in connection with making the representations set forth in the Federal Tax Certificate and in its efforts to comply with the conditions imposed by the Code on the exclusion of interest on the Finance Agreement from the gross income of their owners. Bracewell LLP also may rely on this Certificate of Lender for purposes of its opinion regarding the treatment of interest on the Finance Agreement as excludable from gross income for federal income tax purposes and the preparation of the Internal Revenue Service Form 8038-G. The Lender makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED as of this 17th day of February, 2016.

BANC OF AMERICA PUBLIC CAPITAL CORP

By:_____

Name:_____

Title:_____

Signature page to Certificate of Lender

EXHIBIT B

CALCULATIONS

ATTACHMENT K TO SCHEDULE A

UCC-1 FINANCING STATEMENT

[see attached]

ATTACHMENT L TO SCHEDULE A

THREE YEAR AMORTIZATION SCHEDULE

[SEE ATTACHED]

ATTACHMENT M TO SCHEDULE A

FIVE YEAR AMORTIZATION SCHEDULE

[SEE ATTACHED]