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06/19/14
Item # 38 B

AN ORDINANCE 2014-06-19-0473

AUTHORIZING THE MASTER TAX-EXEMPT LEASE/PURCHASE AGREEMENT AND AN ESCROW AND ACCOUNT CONTROL AGREEMENT WITH SUNTRUST EQUIPMENT FINANCE & LEASING CORP. AND FROST BANK; AUTHORIZING THE EXHIBITS AND RELATED SCHEDULES TO THE MASTER TAX-EXEMPT LEASE/PURCHASE AGREEMENT IN THE TOTAL AMOUNT OF $4,470,161, FOR THE ACQUISITION OF EQUIPMENT FOR THE SOLID WASTE MANAGEMENT DEPARTMENT AT AN INTEREST RATE OF 1.69% FOR A SEVEN (7) YEAR TERM TO PAY THE COSTS OF THE TRANSACTION; 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 of the City ("Council") 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 Tax-Exempt Lease/Purchase Financing ("RFB"), soliciting bids for a master equipment lease purchase financing provider was issued by the City on April 28, 2014; and

WHEREAS, ten (10) firms submitted responsive bids on May 16, 2014, 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 the 2014 Master Agreement (as defined herein and attached hereto as Exhibit A) with SunTrust Equipment Finance & Leasing Corp. as "Lessor" and an Escrow and Account Control Agreement (as defined herein and attached hereto as Exhibit B) among 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 among the parties; and

WHEREAS, the Lessee desires to acquire on or about July 2, 2014, collection trucks and other trucks ("Equipment") for the total amount of $4,470,161, as disclosed in Exhibits and (collectively, the "Schedule") to the 2014 Master Agreement attached hereto as Exhibit C and incorporated by reference for all purposes; and

WHEREAS, Lessor shall act as lessor under the Schedule; 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 the 2014 Master Agreement, the Schedule, and the Escrow and Account Control 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 terms and conditions of that certain Master Tax-Exempt Lease/Purchase Agreement ("2014 Master Agreement") by and between the City and SunTrust Equipment Finance & Leasing 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, the City's Chief Financial Officer, and the City's Director of Finance, acting on behalf of the City, are each hereby authorized eight (8) business days from the effective date of this Ordinance within which to negotiate and execute the 2014 Master Agreement, substantially according to the terms and conditions set forth in **Exhibit A** hereto. If the 2014 Master Agreement is not negotiated and executed within said eight (8) business days, or if the parties cannot agree to terms of such contract within such time, then there shall be no authority to execute the 2014 Master Agreement unless there is subsequent City Council approval.

SECTION 2. The terms and conditions of that certain Escrow and Account Control Agreement ("Escrow Agreement") by and among the City; Frost Bank; and SunTrust Equipment Finance & Leasing 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, the City's Chief Financial Officer, and the City's Director of Finance, acting on behalf of the City, are each hereby authorized eight (8) business days from the effective date of this Ordinance within which to negotiate and execute the Escrow Agreement, substantially according to the terms and conditions set forth in **Exhibit A** hereto. If the Escrow Agreement is not negotiated and executed within said eight (8) business days, or if the parties cannot agree to terms of such contract within such time, then there shall be no authority to execute the Escrow unless there is subsequent City Council approval.

SECTION 3. The Schedule to the 2014 Master Agreement, as attached hereto as **Exhibit C**, is hereby approved and is incorporated by reference into this Ordinance for all purposes. The City Manager, the City Manager's designee, the City's Chief Financial Officer and the City's Director of Finance, acting on behalf of the City, are each hereby authorized eight (8) business days from the effective date of this Ordinance within which to negotiate and execute the Schedule to the 2014 Master Agreement, substantially according to the terms and conditions set forth in **Exhibit C** hereto, which document is available for public inspection at the Office of the City Clerk. If the Schedule to the 2014 Master Agreement is not negotiated and executed within said eight (8) business days, or if the parties cannot agree to terms of such document within such time, then there shall be no authority to execute the Schedule to the 2014 Master Agreement unless there is

subsequent City Council approval. 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 the Schedule to the 2014 Master Agreement as the Authorized Officer deems necessary and appropriate as specified in the Schedule to the 2014 Master Agreement, without further action by this Council. All other related contracts, certificates, and agreements necessary and incidental to the Schedule to the 2014 Master Agreement are hereby authorized, with the exception of adding future Schedules to the 2014 Master Agreement, other than the Schedule authorized by this Ordinance. Future Schedules to the 2014 Master Agreement shall require approval by Council.

SECTION 4. The aggregate original principal amount for the Equipment shall not exceed the amount set forth in the Schedule and shall bear interest as set forth in the Schedule, and the Schedule shall contain such options to purchase and/or prepay by the City as set forth therein.

SECTION 5. The City's obligations under the Schedule shall be subject to annual appropriation or renewal by the Council as set forth in the Schedule and the City's obligations under the Schedule shall not constitute a general obligation of the City or indebtedness under the Constitution or laws of the State of Texas.

SECTION 6. The Director of Finance is authorized to record and account for the Schedule in accordance with generally accepted accounting principles and all other applicable laws.

SECTION 7. 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 8. 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 9. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 10. 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 11. FY 2014 expenses not to exceed $7,000.00 associated with this Ordinance are available in Fund 55001000, Solid Waste Operating Fund through a lease/purchase agreement. Principal and interest payments will be charged to Cost Center 5501010001 and General Ledgers 5404010 and 5404020, respectively.

SECTION 12. For each succeeding Fiscal Year through FY ~~2020~~ 2021 that funds are appropriated in the adopted Annual Operating And Capital Budget for payments due under the lease/purchase agreement, those funds will be available in Fund 55001000, Solid Waste Operating Fund. 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, the City Manager's designee, or the City's Chief Financial Officer, correct allocations to specific cost centers and fund numbers 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 11 members of the City Council of the City of San Antonio, Texas, this the 19th day of June, 2014.

M A Y O R
Julián Castro

ATTEST:

Leticia M. Vacek, City Clerk

(CITY SEAL)

I, the undersigned, 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 as aforesaid.

Robert F. Greenblum, City Attorney
City of San Antonio, Texas

E X H I B I T A

E X H I B I T B

E X H I B I T C

E X H I B I T A

CITY OF SAN ANTONIO, TEXAS

INDEX TO LEGAL DOCUMENTS

NON-BANK-QUALIFIED ESCROW

Master Tax-Exempt Lease/Purchase Agreement, Lease Number 09496, Dated as of July 2, 2014;

Exhibit A - Equipment Schedule No. 01;

Payment Schedule;

Exhibit B - No-Arbitrage and Tax Certificate;

Exhibit C - Resolution of Governing Body;

Exhibit D - Incumbency Certificate;

Exhibit E - Opinion of Counsel;

Exhibit F - Escrow Agreement, with its Schedule I and Exhibit A;

Exhibit G-1 Confirmation of Outside Insurance;

Exhibit G-2 Questionnaire for Self-Insurance to Lease and Addendum;

UCC Financing Statements with attached Schedule A;

Form 8038-G

SUNTRUST EQUIPMENT FINANCE & LEASING CORP.

MASTER TAX-EXEMPT LEASE/PURCHASE AGREEMENT

LEASE NUMBER 09496

This **MASTER TAX-EXEMPT LEASE/PURCHASE AGREEMENT** (the "Agreement"), dated as of July 2, 2014 is made and entered into by and between **SUNTRUST EQUIPMENT FINANCE & LEASING CORP.**, a Virginia corporation, as lessor ("Lessor"), and **CITY OF SAN ANTONIO, TEXAS**, a political subdivision of the State of Texas, as lessee ("Lessee").

WITNESSETH:

WHEREAS, Lessee is a home rule municipality and 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 Local Government 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 (defined below) of Lessee to be necessary, useful or appropriate to one or more governmental purposes of Lessee.

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 of San Antonio City Council ("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 each Equipment Schedule (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 any Equipment Schedule executed under 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 an unconstitutional, impermissible, or illegal debt or liability obligation of the State (as hereinafter defined) or Lessee or any other political subdivision of the State, or a pledge of the full faith and credit or limited taxing power of the State, or Lessee, or any political subdivision of the State, but shall be a special obligation payable from current revenues to be lawfully appropriated by the City Council of the Lessee and legally available funds 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 and the Escrow Account (defined below);

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:

ARTICLE I. DEFINITIONS AND EXHIBITS

Section 1.1. Definitions. The following terms have the meanings specified below.

"Acceptance Certificate" means each Acceptance Certificate delivered by Lessee as part of an Equipment Schedule certifying as to the delivery, installation and acceptance of Equipment.

"Acquisition Cost" means the original principal amount to be funded by Lessor under the Agreement which shall be expended on acquisition of the Equipment and Lessee's costs of issuance. The Acquisition Cost is $4,470,161.

"Agreement" means this Master Tax-Exempt Lease/Purchase Agreement and all Equipment Schedules hereto.

"Agreement Date" means the date first written above.

"Authorized Investments" means any investment authorized pursuant to the Texas Public Funds Investment Act, V.T.C.A. Government Code §2256.001 et seq. and the written investment policy of Lessee, which shall also be collateralized as may be from time to time required in accordance with the Texas Public Funds Collateral Act, V.T.C.A. Government Code §2257.001, et seq. and the written investment policy of the Lessee.

"Code" means the Internal Revenue Code of 1986, as amended, together with Treasury Regulations promulgated from time to time thereunder.

"Equipment" means all items of property described in Equipment Schedules and subject to this Agreement.

"Equipment Group" means each group of Equipment listed in a single Equipment Schedule.

"Equipment Schedule" means each sequentially numbered schedule executed by Lessor and Lessee with respect to Equipment Group.

"Escrow Account" or "Equipment Acquisition Account" means the equipment acquisition account established by Lessor and Lessee with Escrow Agent pursuant to the Escrow Agreement.

"Escrow Agent" means **FROST BANK**, a Texas State banking association, and any successor escrow agent under the Escrow Agreement.

"Escrow Agreement" means the *Escrow And Account Control Agreement*, substantially in the form of Exhibit F hereto, to be executed by Lessor, Lessee, and Escrow Agent upon the first funding of an Equipment Schedule using the procedure described in Section 2.4.

"Events of Default" means those events described in Section 12.1.

"Event of Taxability" means a final, non-appealable order, judgment, or similar ruling that Lessor may not exclude any Interest paid under any Lease from its Federal gross income.

"Fiscal Year" means each 12-month fiscal period of Lessee. Lessee's Fiscal Year commences October 1 of each year and ends September 30 of the next year.

"Funding Date" means, with respect to each Lease, the date Lessor deposits the Acquisition Cost into the Escrow Account.

"Interest" means the portion of a Lease Payment designated as and comprising interest as provided in a Payment Schedule.

"Lease" means, with respect to each Equipment Group, this Agreement and the Equipment Schedule relating thereto, which together shall constitute a separate contract between Lessor and Lessee relating to such Equipment Group.

"Lease Date" means, with respect to each Lease, the date so designated in the related Equipment Schedule.

"Lease Payment" means each payment due of Principal and Interest from Lessee to Lessor on a Payment Date as described in the Payment Schedule in Exhibit A.

"Lease Term" means, with respect to each Equipment Group, the period during which the related Lease is in effect as specified in Section 3.1.

"Net Proceeds" means any insurance proceeds or condemnation awards paid with respect to any Equipment remaining after payment there from of all expenses incurred in the collection thereof.

"Non-Appropriation" means the failure of Lessee, the City Council to appropriate money for any Fiscal Year sufficient for the continued performance by Lessee of all of Lessee's obligations under this Agreement, as evidenced by the passage of an ordinance by the City Council adopting Lessee's Annual Operating and Capital Budget for any Fiscal Year during the Lease Term that does not appropriate any funds for Lease Payments during the Fiscal Year.

"Payment Date" means each date upon which a Lease Payment is due and payable as provided in a Payment Schedule.

"Payment Schedule" means the schedule of Lease Payments attached to an Equipment Schedule.

"Principal" means the portion of any Lease Payment designated as and comprising principal as provided in a Payment Schedule.

"Prepayment Price" means the amount so designated and set forth opposite a Payment Date in a Payment Schedule indicating the amount for which Lessee may purchase the related Equipment Group as of such Payment Date after making the Rental Payment due on such Payment Date.

"Specifications" means the bid specifications and/or purchase order pursuant to which Lessee has ordered any Equipment from a Vendor.

"State" means the State of Texas.

"Vendor" means each of the manufacturers or vendors from which Lessee has ordered or with which Lessee has contracted for the manufacture, delivery, and/or installation of the Equipment.

Section 1.2. Exhibits.

Exhibit A:	Equipment Schedule including form of Payment Schedule.
Exhibit B:	Form of No-Arbitrage and Tax Certificate (Escrow).
Exhibit C:	Form of Resolution of the Governing Body of Lessee relating to each Lease (Escrow).
Exhibit D:	Form of Incumbency Certificate as to each officer or representative of Lessee executing this Agreement or any Lease.
Exhibit E:	Form of Opinion of Counsel to Lessee.
Exhibit F:	Form of Escrow Agreement.
Exhibit G-1:	Form of Confirmation of Outside Insurance.
Exhibit G-2:	Form of Questionnaire for Self-Insurance and Addendum to Equipment Schedule Relating to Self-Insurance.

ARTICLE II. LEASE OF EQUIPMENT

Section 2.1. Acquisition of Equipment. Prior to the addition of any Equipment Group, Lessee shall provide Lessor with a description of the equipment proposed to be subject to a Lease hereunder, including the cost and vendor of such equipment, the expected delivery date and the desired lease terms for such equipment, and such other information as Lessor may require. If Lessor, in its sole discretion, determines the proposed equipment may be subject to a Lease hereunder, Lessor shall furnish to Lessee a proposed Equipment Schedule relating to the Equipment Group for execution by Lessee and then Lessor. By execution hereof, Lessor has made no commitment to lease any equipment to Lessee. The decision whether Lessor enters into any Lease shall be solely within Lessor's discretion.

Section 2.2. Disbursement. The escrow procedure described in Section 2.4 hereof shall be utilized for this Lease. Lessor shall have no obligation to make (1) the initial deposit of the Acquisition Cost into the Escrow Account on the Funding Date, or (2) consent to a disbursement from the Escrow Account by Escrow Agent until two (2) business days after Lessor has received all of the following in form and substance satisfactory to Lessor: (a) a completed Equipment Schedule executed by Lessee; (b) a completed Acceptance Certificate in the form included with Exhibit A hereto executed by Lessee; (c) a certified copy of a resolution or evidence of other official action taken by or on behalf of Lessee to authorize the acquisition of the Equipment Group on the terms provided in such Equipment Schedule; (d) a No-Arbitrage and Tax Certificate in the form of Exhibit B attached hereto executed by an authorized official of Lessee; (e) evidence of insurance with respect to the Equipment Group in compliance with Article VII of this Agreement; (f) Vendor invoice(s) and/or bill(s) of sale relating to the Equipment Group in form and substance satisfactory to Lessor, and/or if such invoices have been paid by Lessee, evidence of payment thereof and evidence of official intent to reimburse such payment as required by the Code; (g) financing statements naming Lessee as debtor and/or the original certificate of title or manufacturer's certificate of origin and title application, if any, for any Equipment which is part of such Equipment Group and is subject to certificate of title laws; (h) a fully completed and executed Form 8038-G or 8038-GC, as applicable; (i) an opinion of counsel to Lessee substantially in the form of Exhibit E hereto, (j) evidence of payment and performance bonds required by the Equipment Schedule, if applicable, and (k) any other documents or items reasonably required by Lessor. In addition, any such disbursement by Lessor or consent by Lessor to a disbursement by Escrow Agent shall be subject to (a) no Event of Default having occurred and (b) no material adverse change in Lessee's business, assets, operations, financial condition or results of operations.

Section 2.3. Lease; Possession and Use. Lessor hereby leases the Equipment to Lessee, and Lessee hereby leases the Equipment from

Lessor, upon the terms and conditions set forth herein. Lessee shall have quiet use and enjoyment of and peaceably have and hold each Equipment Group during the related Lease Term, except as expressly set forth in this Agreement.

Section 2.4. Escrow Procedure. If Lessor and Lessee agree that the cost of an Equipment Group is to be paid from an Escrow Account: (a) Lessor and Lessee shall execute an Escrow Agreement substantially in the form of Exhibit F; (b) Lessor and Lessee shall execute an Equipment Schedule relating to such Equipment Group; and (c) Lessor shall deposit an amount equal to the Acquisition Cost into the Escrow Account. All amounts deposited by Lessor into the Escrow Account shall constitute a loan from Lessor to Lessee which shall be repaid by the Lease Payments due under the related Lease. The money on hand from time to time in the Escrow Account shall be held in trust for the benefit of Lessee and Lessor. Pending payment for the Equipment Group, or any portion thereof, such money held in the Escrow Account may be invested by the Escrow Agent in and collateralized as required by the definition of Authorized Investments. Any balance remaining in the Escrow Account, after disbursements for the purchase of the Equipment Group have been completed, or after an Event of Default has occurred, or after this Agreement is terminated for Non-Appropriation of funds, shall be applied as a prepayment to the Lease Payments, as permitted hereunder.

ARTICLE III. TERM

Section 3.1. Term. This Agreement shall be in effect from the Agreement Date until the earliest of (a) termination under Section 3.2 or (b) termination under Section 12.2. Each Lease with respect to an Equipment Group shall be in effect for a Lease Term commencing upon the Lease Date and ending as provided in Section 3.5.

Section 3.2. Termination by Lessee. In the sole event of Non-Appropriation, this Agreement and each Lease hereunder shall terminate, in whole, but not in part, as to all Equipment effective upon the last day of the Fiscal Year for which funds were appropriated, in the manner and subject to the terms specified in this Article. Lessee may effect such termination by giving Lessor a written notice of termination and by paying to Lessor any Lease Payments and other amounts which are due and have not been paid at or before the end of its then current Fiscal Year. Lessee shall endeavor to give notice of such termination not less than thirty (30) days prior to the end of the Fiscal Year for which appropriations were made, and shall notify Lessor of any anticipated termination. In the event of termination of this Agreement as provided in this Section, Lessee shall comply with the instructions received from Lessor in accordance with Section 12.3.

Section 3.3. Effect of Termination. Upon termination of this Agreement as provided in Section 3.2, Lessee shall not be responsible for the payment of any additional Lease Payments coming due in succeeding Fiscal Years, but if Lessee has not complied with the instructions received from Lessor in accordance with Section 12.3, the termination shall nevertheless be effective, but Lessee shall be responsible for the payment of damages in an amount equal to the amount of the Rental Payments that would thereafter have come due if this Agreement had not been terminated and which are attributable to the number of days after which Lessee fails to comply with Lessor's instructions and for any other loss suffered by Lessor as a result of Lessee's failure to take such actions as required.

Section 3.4. *Intentionally Omitted.*

Section 3.5. Termination of Lease Term. The Lease Term with respect to any Lease will terminate upon the occurrence of the first of the following events: (a) the termination of this Agreement by Lessee in accordance with Section 3.2; (b) the payment of the Prepayment Price by Lessee pursuant to Article V; (c) an Event of Default by Lessee and Lessor's election to terminate such Lease pursuant to Article XII; or (d) the payment by Lessee of all Rental Payments and all other amounts authorized or required to be paid by Lessee pursuant to such Lease.

ARTICLE IV. LEASE PAYMENTS

Section 4.1. Lease Payments. Lessee agrees to pay the Lease Payments due as specified in the Payment Schedule in Exhibit A. A portion of each Lease Payment is paid as Interest as specified in the Payment Schedule of each Lease, and the first Lease Payment will include Interest accruing from the Funding Date. Lessor is authorized to insert the due date of the first Lease Payment in the Payment Schedule in Exhibit A. All Lease Payments shall be paid to Lessor, or to such assignee(s) Lessor has assigned as stipulated in Article XI, at such places as Lessor or such assignee(s) may from time to time designate by written notice to Lessee. Lessee shall pay the Lease Payments with lawful money of the United States of America from moneys legally available therefor.

Section 4.2. Current Expense. The obligations of Lessee, including its obligation to pay the Lease Payments due in any Fiscal Year of a Lease Term, shall constitute a current expense of Lessee for such Fiscal Year and shall not constitute an indebtedness of Lessee within the meaning of the Constitution and laws of the State. Nothing herein shall constitute a pledge by Lessee of any taxes or other moneys (other than moneys lawfully appropriated from time to time by or for the benefit of Lessee for this Agreement and the Net Proceeds of the Equipment) to the payment of any Rental Payment or other amount coming due hereunder.

Section 4.3. Unconditional Lease Payments. Lessee's obligation to make Lease Payments and any other payments hereunder shall be absolute and unconditional. Lessee shall make these payments when due and shall not withhold any of these payments pending final

resolution of any disputes. Lessee shall not assert any right of set-off or counterclaim against its obligation to make these payments. Lessee's obligation to make Lease Payments or other payments shall not be abated through accident, unforeseen circumstances, failure of the Equipment to perform as desired, damage or destruction to the Equipment, loss of possession of the Equipment or obsolescence of the Equipment. Lessee shall be obligated to continue to make payments required of it by this Agreement if title to, or temporary use of, the Equipment or any part thereof shall be taken under exercise of the power of eminent domain.

Section 4.4. Rental Payment Adjustment. (Intentionally Omitted).

ARTICLE V. OPTION TO PREPAY

Section 5.1. Option to Prepay. Lessee shall have the option to prepay its obligations under any Lease in whole but not in part on any Payment Date for the then applicable Prepayment Price as set forth in the related Payment Schedule, provided there has been no Non-Appropriation or Event of Default.

Section 5.2. Exercise of Option. Lessee shall give notice to Lessor of its intention to exercise its option not less than thirty (30) days prior to the Payment Date on which the option will be exercised and shall pay to Lessor not later than such Payment Date an amount equal to all Lease Payments and any other amounts then due or past due under the related Lease (including the Rental Payment due on the Payment Date on which the option shall be effective and the applicable Prepayment Price set forth in the related Payment Schedule. In the event that all such amounts are not received by Lessor on such Payment Date, such notice by Lessee of exercise of its option to prepay shall be void and the related Lease shall continue in full force and effect.

Section 5.3. Release of Lessor's Interest. Upon receipt of the Prepayment Price in good funds with respect to any Equipment Group, the Lease with respect to such Equipment Group shall terminate and Lessee shall become entitled to such Equipment Group AS IS, WHERE IS, WITHOUT WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE, except that such Equipment Group shall not be subject to any lien or encumbrance created by or arising through Lessor.

ARTICLE VI. REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 6.1. Representations and Warranties of Lessee. Lessee represents and warrants as of the Agreement Date and as of each Lease Date as follows:

(a) Lessee is a state or political subdivision of the State within the meaning of Section 103(c) of the Code, duly organized and existing under the Constitution and laws of the State, and is authorized under the Constitution and laws of the State to enter into this Agreement, each Lease and the transactions contemplated hereby and thereby, and to perform all of its obligations under this Agreement and each Lease.

(b) The execution and delivery of this Agreement and each Lease have been duly authorized by all necessary action of Lessee's governing body and such action is in compliance with all public bidding and other State and federal laws applicable to this Agreement, each Lease and the acquisition and financing of the Equipment by Lessee.

(c) This Agreement and each Lease have been duly executed and delivered by and constitutes the valid and binding obligation of Lessee, enforceable against Lessee in accordance with their respective terms.

(d) The execution, delivery, and performance of this Agreement and each Lease by Lessee shall not (i) violate any State or federal law or local law or ordinance, or any order, writ, injunction, decree, or regulation of any court or other governmental agency or body applicable to Lessee, or (ii) conflict with or result in the breach or violation of any term or provision of, or constitute a default under, any note, bond, mortgage, indenture, agreement, deed of trust, lease, or other obligation to which Lessee is bound.

(e) There is no action, suit, proceeding, claim, inquiry, or investigation, at law or in equity, before or by any court, regulatory agency, public board or body pending or, to the best of Lessee's knowledge, threatened against or affecting Lessee, challenging Lessee's authority to enter into this Agreement or any Lease or any other action wherein an unfavorable ruling or finding would adversely affect the enforceability of this Agreement or any Lease.

(f) No lease, rental agreement, lease-purchase agreement, payment agreement, or contract for purchase to which Lessee has been a party at any time during the past ten (10) years has been terminated by Lessee as a result of insufficient funds being appropriated in any Fiscal Year. No event has occurred which would constitute an event of default under any debt, revenue bond, or obligation which Lessee has issued during the past ten (10) years.

(g) Lessee or Lessee's governing body has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Lease Payments during the current Fiscal Year, and such moneys will be applied in payment of all Lease Payments due and payable during such current Fiscal Year.

(h) Lessee has an immediate need for, and expects to make immediate use of, the Equipment, which need is not temporary or expected to diminish during the applicable Lease Term. Lessee presently intends to continue each Lease hereunder for its entire Lease

Term and to pay all Lease Payments relating thereto.

Section 6.2. Covenants of Lessee. Lessee agrees that so long as any Lease Payments or other amounts due under this Agreement remain unpaid:

(a) Lessee shall not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any applicable law or regulation, or in a manner contrary to that contemplated by this Agreement. Lessee shall obtain and maintain all permits and licenses necessary for the installation and operation of the Equipment. Lessee shall not, without the prior written consent of Lessor, affix or install any accessory equipment or device on any of the Equipment if such addition would change or impair the originally intended functions, value, or use of such Equipment.

(b) Lessee shall provide Lessor access at all reasonable times to examine and inspect the Equipment and provide Lessor with such access to the Equipment as may be reasonably necessary to perform maintenance on the Equipment in the event of failure by Lessee to perform its obligations hereunder.

(c) Lessee shall not, directly or indirectly, create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance or other claim with respect to the Equipment, other than the respective rights of Lessor and Lessee as herein provided. Lessee shall promptly, at its own expense, take such actions as may be necessary duly to discharge or remove any such claim if the same shall arise at any time. Lessee shall reimburse Lessor for any expense incurred by Lessor in order to discharge or remove any such claim.

(d) The person or entity in charge of preparing Lessee's budget will include in the budget request for each Fiscal Year the Lease Payments to become due during such Fiscal Year, and will use all reasonable and lawful means available to secure the appropriation of money for such Fiscal Year sufficient to pay all Lease Payments coming due therein. Lessor acknowledges that appropriation for Lease Payments is a governmental function which Lessee cannot contractually commit itself in advance to perform. Lessee acknowledges that this Agreement does not constitute such a commitment. However, Lessee reasonably believes that moneys in an amount sufficient to make all Lease Payments can and will lawfully be appropriated and made available to permit Lessee's continued utilization of the Equipment in the performance of its essential functions during the applicable Lease Terms.

(e) Lessee will only use the Equipment only for the purpose of performing Lessee's essential governmental and/or proprietary functions.

(f) Lessee shall assure that its obligation to pay Lease Payments is not directly or indirectly secured by any interest in property, other than the Equipment, and that the Lease Payments will not be directly or indirectly secured by or derived from any payments of any type or any fund other than Lessee's General Fund and/or Solid Waste Operating Fund.

(g) Upon Lessee's receipt of written request from Lessor, Lessee shall deliver to Lessor (i) its annual audited financial statements; (ii) its annual budget for the succeeding Fiscal Year when approved; and (iii) such other financial statements and information relating to the ability of Lessee to satisfy its obligations under this Agreement and each Lease as may be reasonably requested by Lessor from time to time.

(h) 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 to establish and protect the rights and remedies created or intended to be created in favor of Lessor hereunder.

Section 6.3. Tax Related Representations, Warranties and Covenants.

(a) *General.* Lessee agrees that it will not take or fail to take any action that would cause the Interest portion of Lease Payments under any Lease to be or to become ineligible for the exclusion from gross income of the owner or owners thereof for federal income tax purposes.

(b) *Incorporation of No-Arbitrage and Tax Certificate.* As of each Lease Date and with respect to each Lease, Lessee makes each of the representations, warranties, and covenants contained in the No-Arbitrage and Tax Certificate delivered with respect to such Lease. Each such No-Arbitrage and Tax Certificate is incorporated herein and made a part of this Agreement. Lessee agrees to comply with all provisions of the No-Arbitrage and Tax Certificate.

(c) *Event of Taxability.* Upon the occurrence of an Event of Taxability during the term of the any Lease, Lessee shall pay to Lessor upon demand (x) an amount which, with respect to Lease Payments previously paid and taking into account all penalties, fines, interest and additions to tax (including all federal, state and local taxes imposed on the Interest due through the date of such event), will restore to Lessor its after-tax yield (assuming tax at the highest marginal tax rate and taking into account the time of receipt of Lease Payments and reinvestment at the after-tax yield rate) on the transaction evidenced by such Lease through the date of such event and (y) as additional Lease Payments to Lessor on each succeeding Payment Date such amount as will maintain such after-tax yield to Lessor.

ARTICLE VII. INSURANCE AND RISK OF LOSS

Section 7.1. Liability and Property Insurance. Lessee shall, at its own expense, procure and maintain continuously in effect during each Lease Term: (a) public liability insurance for death or injuries to persons, or damage to property arising out of or in any way connected to the Equipment sufficient to protect Lessor and its assigns from liability in all events, with a coverage of not less than $1,000,000 per occurrence unless specified differently in the related Equipment Schedule, and (b) insurance against such hazards as Lessor may require, including, but not limited to, all-risk casualty and property insurance, in an amount equal to the greater of the full replacement cost of the Equipment or the applicable Prepayment Price.

Section 7.2. Workers' Compensation Insurance. If required by State law, Lessee shall carry workers' compensation insurance covering all employees on, in, near or about the Equipment, and upon request, shall furnish to Lessor certificates evidencing such coverage throughout the Lease Term.

Section 7.3. Insurance Requirements.

(a) *Insurance Policies.* All insurance policies required by this Article shall be taken out and maintained with insurance companies acceptable to Lessor and shall contain a provision that thirty (30) days prior to any change in the coverage the insurer must provide written notice to the insured parties. No insurance shall be subject to any co-insurance clause. Each insurance policy shall name Lessor and its assigns as an additional insured party and loss payee regardless of any breach of warranty or other act or omission of Lessee and shall include a lender's loss payable endorsement for the benefit of Lessor and its assigns. Prior to the delivery of Equipment, Lessee shall deposit with Lessor evidence satisfactory to Lessor of such insurance and, prior to the expiration thereof, shall provide Lessor evidence of all renewals or replacements thereof.

(b) *Self Insurance.* With Lessor's prior consent, Lessee may self-insure the Equipment by means of an adequate insurance fund set aside and maintained for that purpose which must be fully described in a letter delivered to Lessor in form acceptable to Lessor.

(c) *Evidence of Insurance.* Lessee shall deliver to Lessor upon acceptance of any Equipment evidence of insurance which complies with this Article VII with respect to such Equipment to the satisfaction of Lessor, including, without limitation, the confirmation of insurance in the form of Exhibit G-1 attached hereto together with Certificates of Insurance, when available, or the Questionnaire for Self-Insurance and Addendum to Equipment Schedule Relating to Self-Insurance in the form of Exhibit G-2 attached hereto, as applicable.

Section 7.4. Risk of Loss. To the extent permitted by applicable laws of the State, as between Lessor and Lessee, Lessee assumes all risks and liabilities from any cause whatsoever, whether or not covered by insurance, for loss or damage to any Equipment and for injury to or death of any person or damage to any property. Whether or not covered by insurance, Lessee hereby assumes responsibility for and agrees, but only to the extent permitted by law, to indemnify Lessor from all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses, including reasonable attorneys' fees, imposed on, incurred by or asserted against Lessor that relate to or arise out of this Agreement, including but not limited to, (a) the selection, manufacture, purchase, acceptance or rejection of Equipment or the ownership of the Equipment, (b) the delivery, lease, possession, maintenance, use, condition, return or operation of the Equipment, (c) the condition of the Equipment sold or otherwise disposed of after possession by Lessee, (d) the conduct of Lessee, its officers, employees and agents, (e) a breach of Lessee of any of its covenants or obligations hereunder, (f) any claim, loss, cost or expense involving alleged damage to the environment relating to the Equipment, including, but not limited to investigation, removal, cleanup and remedial costs, and (g) any strict liability under the laws or judicial decisions of any State or the United States. This provision shall survive the termination of this Agreement.

Section 7.5. Destruction of Equipment. Lessee shall provide a complete written report to Lessor within seven (7) business days following any loss, theft, damage or destruction of any Equipment and of any accident involving any Equipment. Lessor may inspect the Equipment at any time and from time to time during regular business hours. If all or any part of the Equipment is stolen, lost, destroyed or damaged beyond repair ("Damaged Equipment"), Lessee shall within sixty (60) days after such event either: (a) replace the same at Lessee's sole expense with equipment having substantially similar Specifications and of equal or greater value to the Damaged Equipment immediately prior to the time of the loss occurrence, and otherwise satisfactory to Lessor, whereupon such replacement equipment shall be substituted in the applicable Lease and the other related documents by appropriate endorsement or amendment; or (b) pay the applicable Prepayment Price of the Damaged Equipment determined as set forth in the related Equipment Schedule. Lessee shall notify Lessor of which course of action it will take within a reasonable period of time after the loss occurrence. If, within ninety (90) days of the loss occurrence, (a) Lessee fails to notify Lessor; (b) Lessee and Lessor fail to execute an amendment to the applicable Equipment Schedule to delete the Damaged Equipment and add the replacement equipment or (c) Lessee has failed to pay the applicable Prepayment Price, then Lessor may, at its sole discretion, declare the applicable Prepayment Price of the Damaged Equipment, to be immediately due and payable. The Net Proceeds of insurance with respect to the Damaged Equipment shall be made available by Lessor to be applied to discharge Lessee' obligation under this Section.

ARTICLE VIII. OTHER OBLIGATIONS OF LESSEE

Section 8.1. Maintenance of Equipment. Lessee shall notify Lessor in writing prior to storing the Equipment at another address and shall otherwise keep the Equipment at the address specified in the related Equipment Schedule. Lessee shall, at its own expense, maintain the Equipment in proper working order and shall make all necessary repairs and replacements to keep the Equipment in such condition including compliance with State and federal laws. Any and all replacement parts must be free of encumbrances and liens. All such replacement parts and accessories shall be deemed to be incorporated immediately into and to constitute an integral portion of the Equipment and as such, shall be subject to the terms of this Agreement.

Section 8.2. Taxes. Lessee shall pay all taxes and other charges which are assessed or levied against the Equipment, the Lease Payments or any part thereof, or which become due during the Lease Term, whether assessed against Lessee or Lessor, except as expressly limited by this Section. Lessee shall pay all utilities and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Equipment, and all special assessments and charges lawfully made by any governmental body that may be secured by a lien on the Equipment. Lessee shall not be required to pay any federal, state or local income, succession, transfer, franchise, profit, excess profit, capital stock, gross receipts, corporate, or other similar tax payable by Lessor, its successors or assigns, unless such tax is made as a substitute for any tax, assessment or charge which is the obligation of Lessee under this Section.

Section 8.3. Advances. If Lessee shall fail to perform any of its obligations under this Article, Lessor may take such action to cure such failure, including the advancement of money, and Lessee shall be obligated to repay all such advances on demand, with interest at the rate of 12% per annum or the maximum rate permitted by law, whichever is less, from the date of the advance to the date of repayment.

ARTICLE IX. TITLE

Section 9.1. Title. During the Lease Term, ownership and legal title of all Equipment and all replacements, substitutions, repairs and modification shall be in the name of Lessee and Lessee shall take all action necessary to vest such ownership and title in Lessee. Lessor does not own the Equipment and by this Agreement and each Lease is merely financing the acquisition of such equipment for Lessee. Lessor has not been in the chain of title of the Equipment, does not operate, control or have possession of the Equipment, and has no control over Lessee or Lessee's operation, use, storage or maintenance of the Equipment. For purposes of vehicle titling and subject to amendment from time to time, as requested by the Lessor or any assignee thereof, the information appearing on the title shall reference: SunTrust Equipment Finance & Leasing Corp., Attn: Collateral Services, 300 E. Joppa Road, Suite 700, Towson, MD 21286.

Section 9.2. Security Interest. In order to secure Lessee's payment of all Lease Payments and the performance of all other obligations hereunder, Lessee hereby grants to Lessor a continuing, first priority security interest in and to (a) the Equipment, all repairs, replacements, substitutions and modifications thereto; (b) in all moneys and investments in the Escrow Account (if any); and (c) and all proceeds of the foregoing. Lessee hereby authorizes Lessor to prepare and file such financing statements and other such documents to establish and maintain Lessor's valid first lien and perfected security interest. Lessee will join with Lessor in executing such documents and will perform such acts as Lessor may request to establish and maintain Lessor's valid first lien and perfected security interest. If requested by Lessor because any Equipment financed hereunder could be located at a location not owned by Lessee or because such Equipment could be deemed or determined to be a fixture or improvement to real property or for any other commercially reasonable reason, Lessee shall use all reasonable efforts to obtain, at Lessee's expense, a waiver of any interest in the Equipment from any landlord, mortgagee or any other party holding an interest in the real property on which the Equipment is or will be located. Upon Lessor's request, Lessee shall conspicuously mark the Equipment, and maintain such markings during the Lease Term, to clearly disclose Lessor's security interest in the Equipment. Upon termination of a Lease through exercise of Lessee's option to prepay pursuant to Article V or through payment by Lessee of all Lease Payments and other amounts due with respect to an Equipment Group, Lessor's security interest in such Equipment Group shall terminate, and Lessor shall execute and deliver to Lessee such documents as Lessee may reasonably request to evidence the termination of Lessor's security interest in such Equipment Group.

Section 9.3. Modification of Equipment. Lessee will not, without the prior written consent of Lessor, affix or install any accessory equipment or device on any of the Equipment if such addition will change or impair the originally intended value, function or use of the Equipment.

Section 9.4. Personal Property. The Equipment is and shall at all times be and remain personal property and not fixtures.

ARTICLE X. WARRANTIES

Section 10.1. Selection of Equipment. Each Vendor and all of the Equipment have been selected by Lessee. Lessor shall have no responsibility in connection with the selection of the Equipment, the ordering of the Equipment, its suitability for the use intended by Lessee, the acceptance by any Vendor or its sales representative of any order submitted, or any delay or failure by such Vendor or its sales representative to manufacture, deliver or install any Equipment for use by Lessee.

Section 10.2. Vendor's Warranties. Lessor hereby assigns to Lessee for and during the related Lease Term, all of its interest, if any, in all Vendor's warranties, guarantees and patent indemnity protection, express or implied issued on or applicable to an Equipment Group,

and Lessee may obtain the customary services furnished in connection with such warranties and guarantees at Lessee's expense. Lessor has no obligation to enforce any Vendor's warranties or obligations on behalf of itself or Lessee.

Section 10.3. Disclaimer of Warranties. LESSEE ACKNOWLEDGES THAT THE EQUIPMENT IS OF A SIZE, DESIGN, CAPACITY, AND MANUFACTURE SELECTED BY LESSEE. LESSEE ACKNOWLEDGES THAT IT SELECTED THE EQUIPMENT WITHOUT ASSISTANCE OF LESSOR, ITS AGENTS OR EMPLOYEES. LESSOR IS NOT A MANUFACTURER OF THE EQUIPMENT OR A DEALER IN SIMILAR EQUIPMENT, AND DOES NOT INSPECT THE EQUIPMENT BEFORE DELIVERY TO LESSEE. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, QUALITY, DURABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE OF THE EQUIPMENT, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE EQUIPMENT. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR RELATED TO THE EQUIPMENT OR LESSEE'S USE OF THE EQUIPMENT.

ARTICLE XI. ASSIGNMENT AND SUBLEASING

Section 11.1. Assignment by Lessor. Lessor, without Lessee's consent, may assign and reassign all of Lessor's right, title and/or interest in and to this Agreement or any Lease, including, but not limited to, the Lease Payments and other amounts payable by Lessee and Lessor's interest in the Equipment, in whole to an assignee at any time. No such assignment shall be effective as against Lessee unless and until written notice of the assignment is provided to Lessee. When presented with a notice of assignment, Lessee will acknowledge in writing receipt of such notice for the benefit of Lessor and any assignee. Lessee shall keep a complete and accurate record of all such assignments.

Section 11.2. Assignment and Subleasing by Lessee. Neither this Agreement nor any Lease or any Equipment may be assigned, subleased, sold, transferred, pledged or mortgaged by Lessee without the prior written consent of Lessor, which shall not be unreasonably withheld.

ARTICLE XII. EVENTS OF DEFAULT AND REMEDIES

Section 12.1. Events of Default Defined. The occurrence of any of the following events shall constitute an Event of Default under this Agreement and each Lease:

(a) Lessee's failure to pay any Lease Payment or other amount required to be paid to Lessor within ten (10) days following the due date thereof (other than by reason of Non-Appropriation).

(b) Lessee's failure to maintain insurance as required by Article VII.

(c) With the exception of the above clauses (a) & (b), Lessee's failure to perform or abide by any condition, agreement or covenant for a period of thirty (30) days after written notice by Lessor to Lessee specifying such failure and requesting that it be remedied, unless Lessor shall agree in writing to an extension of time prior to its expiration.

(d) Lessor's determination that any representation, warranty or statement made by Lessee in or pursuant to this Agreement or any Equipment Schedule was untrue in any material respect upon execution of this Agreement or any Equipment Schedule.

(e) The occurrence of an Event of Taxability.

(f) The filing of a petition in bankruptcy or receivership or similar proceeding by or against Lessee, or failure by Lessee promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of Lessee to carry on its governmental functions or assignment by Lessee for the benefit of creditors, or the entry by Lessee into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of any adjustment of indebtedness of Lessee, or the dissolution or liquidation of Lessee.

Section 12.2. Remedies on Default. Upon the occurrence of any Event of Default, Lessor shall have the right, at its option and without any further demand or notice to one or more or all of the following remedies:

(a) Lessor, to the extent permitted by law, with or without terminating this Agreement or any Lease, and by written notice to Lessee, may declare all Lease Payments and other amounts payable by Lessee thereunder to the end of the then-current budget year of Lessee to be immediately due and payable by Lessee, including without limitation delinquent Lease Payments under the Equipment Schedule from prior budget years.

(b) Lessor, with or without terminating this Agreement or any Lease, may repossess any or all of the Equipment by giving Lessee written notice to deliver such Equipment in the manner provided in Section 12.3; or in the event Lessee fails to do so within ten (10) days after receipt of such notice, Lessor may enter upon Lessee's premises where such Equipment is kept and take possession of such Equipment and charge Lessee for costs incurred, including reasonable attorneys' fees. Lessee hereby expressly waives any damages resulting from such repossession. If the Equipment or any portion has been destroyed, Lessee shall pay the applicable Prepayment Price of the destroyed Equipment as set forth in the related Payment Schedule. Notwithstanding Lessor's repossession of the Equipment, Lessee

shall continue to be responsible for the payment of Rental Payments and all other amounts payable hereunder during the current Fiscal Year.

(c) If Lessor terminates this Agreement and/or any Lease and, in its discretion, takes possession and disposes of any or all of the Equipment, Lessor shall apply the proceeds of any such disposition to pay the following items in the following order: (i) all costs (including, but not limited to, attorneys' fees) incurred in securing possession of the Equipment; (ii) all expenses incurred in completing the disposition; (iii) any sales or transfer taxes; (iv) the applicable Prepayment Prices of the Equipment Groups; and (v) the balance of any Lease Payments owed by Lessee during the Fiscal Year then in effect. Any disposition proceeds remaining after the requirements of Clauses (i), (ii), (iii), (iv) and (v) have been met shall be paid to Lessee.

(d) Lessor may take any other remedy available, at law or in equity, with respect to such Event of Default, including those requiring Lessee to perform any of its obligations or to pay any moneys due and payable to Lessor and Lessee shall pay the reasonable attorneys' fees and expenses incurred by Lessor in enforcing any remedy hereunder.

Section 12.3. Return of Equipment: Release of Lessee's Interest. 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 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 Article VIII herein.

Section 12.4 Late Charge. Lessor shall have the right to require late payment charge for each Lease Payment or any other amount due hereunder which is not paid within 10 days of the date when due equal to the lesser of 5% of each late payment or the legal maximum. This Section is only applicable to the extent it does not affect the validity of this Agreement.

Section 12.5 No Remedy Exclusive. Each of the rights and remedies under this Agreement and each Lease is cumulative and may be enforced separately or concurrently. No course of dealing or conduct between Lessor and Lessee shall be effective to amend, modify or change any provisions of this Agreement or any Lease. No failure or delay by Lessor to insist upon the strict performance of any term, covenant or agreement of the Agreement or any Lease, or to exercise any right, power or remedy consequent upon a breach thereof, shall constitute a waiver of any such term, covenant or agreement or of any such breach, or preclude Lessor from exercising any such right, power or remedy at any later time or times.

ARTICLE XIII. MISCELLANEOUS PROVISIONS

Section 13.1. Notices. All written notices to be given under this Agreement shall be given by mail to the party entitled thereto at its address specified beneath each party's signature, or at such address as the party may provide to the other parties hereto in writing from time to time and copy via email to the person executing this Agreement on behalf of such party at the email address identified on the signature page to this Agreement or such other person as such party may designate to this notice provisions. Any such notice shall be deemed to have been received 72 hours after deposit in the United States mail in registered or certified form, with postage fully prepaid, or, if given by other means, when delivered at the address specified in this Section 13.1.

Section 13.2. Binding Effect. This Agreement and each Lease hereunder shall be binding upon and shall inure to the benefit of Lessor and Lessee and their respective successors and assigns. Specifically, as used herein the term "Lessor" means any person or entity to whom Lessor has assigned its right to receive Rental Payments under any Lease.

Section 13.3. Severability. In the event any provision of this Agreement or any Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.4. Entire Agreement; Amendments. This written Agreement and any other documents executed in connection with it constitutes the entire and final agreement of the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous writings, understandings, agreements, solicitation documents and representations, express or implied. There are no unwritten oral agreements between the parties. This Agreement may be amended or modified only by written documents duly authorized, executed and delivered by Lessor and Lessee.

Section 13.5. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions, Articles, Sections or Clauses hereof.

Section 13.6. Further Assurances and Corrective Instruments. Lessor and Lessee agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Equipment hereby leased or intended so to be, or for otherwise carrying out the expressed intention of this Agreement. Lessee hereby authorizes Lessor to file any financing statement or supplements thereto as may be reasonably required for correcting any inadequate description of the Equipment hereby leased or intended so to be, or for otherwise carrying out the expressed intention of this Agreement

Section 13.7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State. Venue for any litigation initiated by Lessor or Lessee that involves this Agreement shall lie in in Bexar County, Texas.

Section 13.8. Usury. It is the intention of the parties hereto to comply with any applicable usury laws; accordingly, it is agreed that, notwithstanding any provisions to the contrary herein or in any Equipment Schedule, in no event shall this Agreement or any Lease hereunder require the payment or permit the collection of interest or any amount in the nature of interest or fees in excess of the maximum amount permitted by applicable law. Any such excess interest or fees shall first be applied to reduce Principal, and when no Principal remains, refunded to Lessee. In determining whether the interest paid or payable exceeds the highest lawful rate, the total amount of interest shall be spread through the applicable Lease Term so that the interest is uniform through such term.

Section 13.9. Lessee's Performance. A failure or delay of Lessor to enforce any of the provisions of this Agreement or any Lease shall in no way be construed to be a waiver of such provision.

Section 13.10. *Intentionally Omitted.*

Section 13.11. USA Patriot Act Compliance Notification. Lessor hereby notifies Lessee that pursuant to the requirements of the USA PATRIOT Act (the "Act"), it is required to obtain, verify and record information that identifies Lessee, which information includes the name and address of Lessee and other information that will allow Lessor to identify Lessor in accordance with the Act. Lessee shall, promptly upon Lessor's request, provide all documentation and other information that Lessor requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Act.

Section 13.12. Execution in Countertparts. This Agreement and Equipment Schedule No. 01 hereunder may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.13. No Texas Attorney General Opinion; Lessee to File IRS Form 8038-G. This Agreement is exempt from review by the Texas Attorney General pursuant to the provisions of Section 1202.007, as amended, Texas Government Code. The Lessee shall have the obligation to complete and file the IRS Form 8038-G to satisfy the provisions of section 149(e) of the Internal Revenue Code of 1986, as amended.

Section 13.14. Not Bank Qualified. Lessor acknowledges and recognizes that Lessee will issue more than $10,000,000.00 in tax-exempt debt in 2014. Accordingly, the Lease entered into hereunder will not be designated as a "qualified tax-exempt obligation" pursuant to section 265 of the Internal Revenue Code of 1986, as amended.

[SIGNATURE PAGES FOLLOW]

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

EXECUTION PAGE OF MASTER TAX-EXEMPT LEASE/PURCHASE AGREEMENT

LEASE NUMBER 09496

IN WITNESS WHEREOF, Lessor has caused this Agreement to be executed in its corporate name by its duly authorized officer, and Lessee has caused this Agreement to be executed in its name by its duly authorized officer.

CITY OF SAN ANTONIO, TEXAS,
Lessee

By:_____
Name: Troy Elliott, CPA
Title: Director of Finance
Date:_____

Address: Finance Department
111 Soledad Street, 4th, 5th, 10th & 11th Floor
San Antonio, TX 78205

Telephone: 210/207-5734
Facsimile: 210/207-7774
E-mail address: troy.elliott@sanantonio.gov

SUNTRUST EQUIPMENT FINANCE & LEASING CORP.,
Lessor

By:_____
Name:
Title:
Date:_____

Address: 300 East Joppa Road, 7th Floor
Towson, MD 21286

Telephone:
Facsimile:

EXHIBIT A

EQUIPMENT SCHEDULE NO. 01
TO LEASE NO. 09496

The following Equipment comprises an Equipment Group which is the subject of the Master Tax-Exempt Lease/Purchase Agreement dated as July 2, 2014 (the "Agreement") between the undersigned Lessor and Lessee. The Agreement is incorporated herein in its entirety, and Lessee hereby reaffirms each of its representations, warranties and covenants contained in the Agreement. Lessee warrants that no Non-Appropriation and no Event of Default, or event which, with the passage of time or the giving of notice or both, would constitute an Event of Default, has occurred under the Agreement. An Acceptance Certificate and Payment Schedule are attached to this Equipment Schedule and by reference are made a part hereof. The terms capitalized in this Equipment Schedule but not defined herein shall have the meanings assigned to them in the Agreement.

EQUIPMENT GROUP

The cost of the Equipment Group and costs of issuance to be funded by Lessee under this Lease is **$4,470,161.00** (the"Acquisition Cost"). The Equipment Group consists of the following Equipment which has been or shall be purchased below:

GENERAL DESCRIPTION	DETAILED DESCRIPTION	QTY
Automated Side Loader Refuse Truck	2014 ACX64 EXPEDITOR Cab & Chassis with Heil Durapak Python Refuse Collection Body	6
Brush Truck with Trailer	Brush Tractors with Horizontal Rear Discharge Brush Trailers	6
Wheel Loaders	Articulated Wheel Loader - Front Loader 5.5 CY Bucket	1
Wheel Loaders	Articulated Wheel Loader - Front Loader 4 CY Bucket	1
Grappler	Brush Grappler - Class 8768 > 33,000 GVW - Brush Truck with Grappler	3
Roll Off Truck	Brush Tractor Roll Off Truck - Class 8767 > 33,000 GVW	5

The Equipment Group is essential to the governmental and/or proprietary functions of Lessee. The Equipment Group is or will be primarily garaged or principally domiciled at the following location and shall be utilized by Lesse in accordance with its intended

purposes at various locations within the jurisdiction of Lessee. Prior to relocation of the Equipment Group or any portion thereof during the Lease Term, Lessee will provide written notice to Lessor:

111 Soledad, 5th Floor, San Antonio, TX 78205

Fleet Acquisitions
Brooks City Base
8220 Lindbergh Landing, Building 1106
San Antonio, Texas 78235

CITY OF SAN ANTONIO, TEXAS,
Lessee

By:_____
Name: Troy Elliott, CPA
Title: Director of Finance
Date: _____

Address: Finance Department
111 Soledad Street, 4th, 5th, 10th & 11th Floor
San Antonio, TX 78205

Telephone: 210/207-5734
Facsimile: 210/207-7774

SUNTRUST EQUIPMENT FINANCE & LEASING CORP.,
Lessor

By:_____
Name:
Title:
Date:_____

Address: 300 East Joppa Road, 7th Floor
Towson, MD 21286

Telephone:
Facsimile:

Lease Number: 09496
Equipment Schedule: 01

PAYMENT SCHEDULE

The Funding Date with respect to the above referenced Equipment Group shall be July 2, 2014. Lessor shall retain any interest or income accruing between the Funding Date and the date on which interest begins to accrue in accordance with the Payment Schedule more fully set forth below. The annual Interest rate applicable to the Equipment Group shall be 1.69%. The first Lease Payment is due on August 1, 2014 and subsequent payments are due quarterly as set forth below.

Payment Number	Payment Date	Total Payment	Principal Component	Interest Component	Prepayment Price
0	07-02-2014				$4,470,161.00
Int Only	08-01-2014	$6,085.63		$ 6,085.63	4,470,161.00
1	11-01-2014	169,614.60	$150,728.17	18,886.43	4,319,432.83
2	02-01-2015	169,614.60	151,364.99	18,249.61	4,168,067.84
3	05-01-2015	169,614.60	152,004.51	17,610.09	4,016,063.33
4	08-01-2015	169,614.60	152,646.73	16,967.87	3,863,416.60
5	11-01-2015	169,614.60	153,291.66	16,322.94	3,710,124.94
6	02-01-2016	169,614.60	153,939.32	15,675.28	3,556,185.62
7	05-01-2016	169,614.60	154,589.71	15,024.89	3,401,595.91
8	08-01-2016	169,614.60	155,242.85	14,371.75	3,246,353.06
9	11-01-2016	169,614.60	155,898.75	13,715.85	3,090,454.31
10	02-01-2017	169,614.60	156,557.43	13,057.17	2,933,896.88
11	05-01-2017	169,614.60	157,218.88	12,395.72	2,776,678.00
12	08-01-2017	169,614.60	157,883.13	11,731.47	2,618,794.87
13	11-01-2017	169,614.60	158,550.19	11,064.41	2,460,244.68
14	02-01-2018	169,614.60	159,220.06	10,394.54	2,301,024.62
15	05-01-2018	169,614.60	159,892.77	9,721.83	2,141,131.85
16	08-01-2018	169,614.60	160,568.31	9,046.29	1,980,563.54
17	11-01-2018	169,614.60	161,246.72	8,367.88	1,819,316.82

18	**02-01-2019**	169,614.60	161,927.98	7,686.62	1,657,388.84
19	**05-01-2019**	169,614.60	162,612.13	7,002.47	1,494,776.71
20	**08-01-2019**	169,614.60	163,299.16	6,315.44	1,331,477.55
21	**11-01-2019**	169,614.60	163,989.10	5,625.50	1,167,488.45
22	**02-01-2020**	169,614.60	164,681.96	4,932.64	1,002,806.49
23	**05-01-2020**	169,614.60	165,377.74	4,236.86	837,428.75
24	**08-01-2020**	169,614.60	166,076.46	3,538.14	671,352.29
25	**11-01-2020**	169,614.60	166,778.13	2,836.47	504,574.16
26	**02-01-2021**	169,614.60	167,482.77	2,131.83	337,091.39
27	**05-01-2021**	169,614.60	168,190.39	1,424.21	168,901.00
28	**08-01-2021**	169,614.60	168,901.00	713.60	0.00
	Total	$4,755,294.43	$4,470,161.00	$285,133.43	

SIGNATURE PAGE FOR PAYMENT SCHEDULE TO MASTER TAX-EXEMPT LEASE/PURCHASE AGREEMENT, NO. 09496, DATED JULY 2, 2014, EQUIPMENT SCHEDULE NO. 01

CITY OF SAN ANTONIO, TEXAS,
Lessee

By:_____
Name: Troy Elliott, CPA
Title: Director of Finance
Date:_____

EXHIBIT B

[Escrow]

Lease Number: 09496
Equipment Schedule: 01

NO-ARBITRAGE AND TAX CERTIFICATE

I, Troy Elliott, Director of Finance of the City of San Antonio, Texas (the "City") hereby certify that I am the duly qualified and authorized representative of the City and I am the Director of Finance of the City; that the City, as lessee (the "Lessee"), executed and delivered the Master Tax-Exempt Lease/Purchase Agreement No. 09496 on July 2, 2014 (the "Master Tax-Exempt Lease/Purchase Agreement"), including Equipment Schedule No. 01 (the "Schedule") to the Master Tax-Exempt Lease/Purchase Agreement (collectively, the "Lease"); that Lessee is a political subdivision of the State identified in the Lease; and that in my official capacity as such officer of the City, I am responsible for executing and delivering, on behalf of the Lessee, the Lease by and between Lessee and SunTrust Equipment Finance & Leasing Corp., or its successors or assigns, as lessor (the "Lessor").

This Certificate is being issued pursuant to sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulations, Sections 1.141, 1.148 and 1.150 (the "Regulations"). All terms not otherwise defined herein shall have the same meaning as those terms have in the Lease.

In addition to the covenants and representations made in Sections 6.2 and 6.3 of the Lease, I represent that the following facts, estimates, and circumstances are in existence on the date of this Certificate or are reasonably expected to occur hereafter. To the best of the knowledge and belief of the undersigned, the expectations of Lessee, as set forth herein, are reasonable; and there are no present facts, estimates and circumstances which would change such expectations.

1. The Lease provides for the lease of property by Lessor to Lessee. Under the Lease, the Lessor will provide funds to acquire property designated by Lessee from time to time pursuant to the terms and subject to the conditions of the Lease and Lessor thereafter will lease such property to Lessee in accordance with the Lease and the Schedules related to that property. The Lessee will authorize the lease of property pursuant to the Lease by separate ordinance and related official action and anticipates treating each such lease of property as a separate issue of tax-exempt obligations within the meaning of Code section 150 and the related Regulations. Under the Lease, Lessee is required to make lease payments with respect to the property, comprising separately stated components of principal and interest, on the dates and in the amounts stated in the Schedules to the Master Tax-Exempt Lease/Purchase Agreement.

2. Contracts or purchase orders providing for the acquisition and delivery of a total of 22 items of equipment to be used for brush and bulky refuse collection by the Solid Waste Management Department (collectively, the "Equipment") have been or will be issued by Lessee to the entity identified on the Schedule, and the Equipment will be acquired and installed with due diligence. The Equipment is identified with specificity in the Schedule. Based upon the provisions of the contracts or purchase orders, the Equipment is expected to be acquired and installed on or before the following date (the "Expected Purchase Date"):

Expected Purchase Date: July 15, 2014 - March 1, 2015

The Equipment will be purchased by, and delivered to, and title will be held in the name of, the Lessee.

3. The Lease provides that Lessor shall deposit the amount stated below into escrow to be credited to the Equipment Acquisition Account (the "Fund") created by the Lease and utilized to pay for the Equipment as provided therein, and for costs of issuance related to the Lease and the lease of the Equipment.

Lessor's Deposit into the Fund: $4,470,161.00.

Of the proceeds of the Lease, $22,499.53 is allocated hereby to costs of issuance and $4,447,661.47 to the purchase of the Equipment.

It is presently expected that all such funds initially credited to the Fund shall be disbursed to pay for the Equipment and costs of issuance related thereto, and the proceeds of the Lease are allocated hereby to pay such costs of issuance and to purchase the Equipment, but any such amounts ultimately determined not to be needed for such purposes and the interest earnings on the amounts held in the Fund shall be utilized on or after the Expected Purchase Date to pay part of the principal or interest due under the Lease, as provided in the Lease.

4. The Lessee reasonably expects that at least 85% of the spendable proceeds of the Lease will be expended on the Equipment and related expenses within three years from the date of execution of the Lease.

5. The original proceeds of the Lease, and interest to be earned thereon, do not exceed the amount necessary for the purpose for which the Lease is entered into.

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

7. No sinking fund is expected to be created by Lessee with respect to the Lease and lease payments thereunder.

8. In the event that the Gross Proceeds (as defined in the Code section 148(f)) of the Lease are not expended on the Equipment on or before the day which is six (6) months after the date of issuance of the Lease and the Lease or the Lessee do not otherwise qualify for an exception to the rebate requirements, then Lessee shall comply with the requirements of the Code section 148(f) and will rebate to the United States of America all arbitrage "profit" required thereby. Lessee hereby covenants to comply with all requirements of the Code and Regulations relating to the rebate of arbitrage "profit" to the United States of America.

9. The Lessee will, at all times prior to the termination of the Lease,

a. exclusively own, operate, and possess all property acquired, refinanced, constructed, or improved with Gross Proceeds and not use or permit the use of any property acquired, refinanced, constructed, or improved with Gross Proceeds in any

activity carried on by any person or entity (other than a state or local government), *unless* such use is merely as a member of the general public, or

b. not directly or indirectly impose or accept any charge or other payment for use of Gross Proceeds or any property acquired, refinanced, constructed, or improved with Gross Proceeds, other than a charge or other payment merely as a member of the general public or interest earned on Investments acquired with Gross Proceeds pending application for their intended purposes, either or both.

10. The Lessee will not use Gross Proceeds to make, finance or refinance loans to any person or entity other than a state or local government.

11. The amounts received from the Lease, when added to available funds on hand and amounts expected to be received from the investment of such proceeds, do not exceed the amounts required to acquire the Equipment and the costs of offering and issuing the Lease.

12. No receipts from the Lease or amounts received from the investment thereof will be used to pay the principal of or interest on any currently outstanding issue of bonds or other obligations of the Lessee.

13. The Lessee reasonably expects to spend at least 85% of the spendable proceeds of the Lease with regard to the Equipment within three years. Not more than 50% of the proceeds of the Lease with regard to the Equipment will be invested in Investments having a substantially guaranteed Yield for a period of four (4) years or more.

14. No other obligations of the Lessee with regard to the Equipment payable from substantially the same source of funds was or will be sold within fifteen (15) days of the date that the parties unconditionally agreed to enter into the Lease.

15. Lessee acknowledges that the Yield on the Lease is stated below, that the weighted average maturity of the Lease with regard to the Equipment is stated below and that such weighted average maturity is less than 120% of the average reasonably expected economic life of the Equipment:

Yield on the Lease: **1.69%**

Weighted Average Maturity of the Lease: **3.8 Years**

16. In connection with the Lease with regard to the Equipment, the Lessee has not

a. employed any abusive arbitrage device, or

b. overburdened the market for tax-exempt obligations.

17. In connection with the Lease, the Lessee has not employed any device to obtain a material financial advantage (based on arbitrage) apart from savings attributable to lower interest rates.

18. The Lessee has covenanted to account for the proceeds related to the Lease separately and apart from all other funds of the Lessee from the date hereof.

19. The Lessee does not expect that the Lease will be used in a manner that would cause the Lease to be arbitrage bonds within the meaning of Code.

20. The Lease will state the separate interest and principal components of the amounts designated as lease payments under the Lease.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this No-Arbitrage and Tax Certificate as of July 2, 2014.

CITY OF SAN ANTONIO, TEXAS

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

EXHIBIT C

[Escrow]

Lease Number: 09496
Equipment Schedule: 01

SIGNED RESOLUTION ADOPTED BY THE CITY COUNCIL will be inserted.

EXHIBIT C
Lease Number: 09496
Equipment Schedule: 01

CERTIFICATE OF CITY CLERK
OF
CITY OF SAN ANTONIO, TEXAS

THE STATE OF TEXAS)
COUNTY OF BEXAR) ss.
CITY OF SAN ANTONIO, TEXAS)

THE UNDERSIGNED HEREBY CERTIFIES that:

1. The 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. On the 19th day of June, 2014, the City Council (the *"Council"*) of the City of San Antonio, Texas (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:

Julián Castro	Mayor
Shirley Gonzales	Mayor Pro Tem, District 5
Diego M. Bernal	Councilmember, District 1
Ivy R. Taylor	Councilmember, District 2
Rebecca J. Viagran	Councilmember, District 3
Rey Saldana	Councilmember, District 4
Ray Lopez	Councilmember, District 6
Cris Medina	Councilmember, District 7
Ron Nirenberg	Councilmember, District 8
Joe Krier	Councilmember, District 9
Mike Gallagher	Councilmember, District 10

and all of such persons were present at the Meeting, except the following: NONE _____, thus constituting a quorum. Among other business considered at the Meeting, the attached Ordinance (the *"Ordinance"*) entitled:

AUTHORIZING THE 2014 MASTER TAX-EXEMPT LEASE/PURCHASE AGREEMENT AND AN ESCROW AND ACCOUNT CONTROL AGREEMENT WITH SUNTRUST EQUIPMENT FINANCE & LEASING CORP. AND FROST BANK; AUTHORIZING THE EXHIBITS AND RELATED SCHEDULES TO THE MASTER TAX-EXEMPT LEASE PURCHASE AGREEMENT IN THE TOTAL AMOUNT OF $4,470,161, FOR THE ACQUISITION OF EQUIPMENT FOR THE SOLID WASTE MANAGEMENT DEPARTMENT AT AN INTEREST RATE OF 1.69% FOR A SEVEN (7) YEAR TERM TO PAY THE COSTS OF THE TRANSACTION; AUTHORIZING THE EXECUTION OF DOCUMENTS RELATED TO THE TRANSACTION; ENACTING OTHER PROVISIONS INCIDENT AND

EXHIBIT C
Lease Number: 09496
Equipment Schedule: 01

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 NIRENBERG that the Ordinance be finally passed and adopted in accordance with the City's Home Rule Charter. The motion was seconded by Councilmember LOPEZ and carried by the following vote:

11 voted "For" Ø voted Against" Ø 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 19TH day of June, 2014.

City Clerk, City of San Antonio, Texas

(SEAL)

EXHIBIT D

Lease No.: 09496
Equipment Schedule: 01

INCUMBENCY CERTIFICATE

I do hereby certify that I am the duly elected or appointed and acting **City Clerk** of **CITY OF SAN ANTONIO, TEXAS**, a political subdivision duly organized and existing under the laws of the State of **Texas** ("Lessee"), that I have custody of the records of such entity, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of such entity holding the offices set forth opposite their respective names.

I further certify that (i) the officers of Lessee listed below have the authority on behalf of Lessee to execute and deliver the Master Tax-Exempt Lease/Purchase Agreement dated as of **July 2, 2014** between **SUNTRUST EQUIPMENT FINANCE & LEASING CORP.**, and Lessee, all Equipment Schedules thereunder and all other documents, agreements and certificates contemplated by the foregoing; and (ii) the signatures set opposite the respective names and titles of such officers are their true and authentic signature.

NAME	TITLE	SIGNATURE	PHONE NUMBER
Ben Gorzell, Jr.	Chief Financial Officer		
Troy Elliott	Director of Finance		

IN WITNESS WHEREOF, I have duly executed this certificate as of this ____ day of June, 2014.

_____

Name:Leticia Vacek
Title: City Clerk

EXHIBIT E
Lease Number 09496
Equipment Schedule No. 01

BOND COUNSEL OPINION DOCUMENT will be inserted

EXHIBIT F
Lease No. 09496
Equipment Schedule No. 01

ESCROW AND ACCOUNT CONTROL AGREEMENT

THIS ESCROW AND ACCOUNT CONTROL AGREEMENT (*"Escrow Agreement"*) is made as of July 2, 2014 by and among SunTrust Equipment Finance & Leasing Corp., a Virginia Corporation (*"Lessor"*); the City of San Antonio, Texas, a political subdivision of the State of Texas (*"Lessee"*); and Frost Bank, San Antonio, Texas, a Texas State banking association, as escrow agent (*"Escrow Agent"*).

Lessor and Lessee have heretofore entered into that certain Master Lease Agreement dated as of July 2, 2014 (the *"Agreement"*) and Equipment Schedule No. 01 also dated as of July 2, 2014 (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 $4,470,161.00, 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, and is to be applied to pay the vendor(s) or manufacturer(s) of the Equipment (the *"Vendor"*) its invoice cost (a portion of which may, if required, be paid prior to final acceptance of the Equipment by Lessee), 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 "San Antonio Equipment Acquisition Account (2014)" (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. Each of the parties has authority to enter into this Escrow Agreement and has taken all actions necessary to authorize the execution of this Escrow Agreement by the representatives whose signatures are affixed hereto.

2. After execution of the Lease and delivery to Lessor by Lessee of all documents required to be delivered thereunder, 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 "San Antonio Equipment Acquisition Account (2014)". 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 Texas 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. Lessee shall be responsible for the initiation of the disbursement process pursuant to this Section 7(a). Neither Escrow Agent nor Lessor shall be responsible for any additional monies assessed to Lessee resulting from disbursements made from the Equipment Acquisition Account.

(b) If an Event of Default or Non-Appropriation 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 thirty-six 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 as determined in its sole reasonable discretion.

(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 first to unpaid fees, late charges and collection costs, if any, which have been accrued or incurred under the Lease, then to overdue Lease Payments (as defined in the Agreement) on the Lease, then to 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.

Notwithstanding anything contained herein to the contrary, in the event of a disagreement between Lessor and Lessee with regard to funds in the Equipment Acquisition Account, Lessor shall have the right to submit a written demand ("Demand") to Escrow Agent, with a copy to Lessee, that Escrow Agent turn over all funds in the Equipment Acquisition Account to a State District Court in Bexar County, Texas, pending resolution of such disagreement. Within three (3) business days after Lessee's receipt of the Demand, Lessee shall deliver to Escrow Agent, with a copy to Lessor, its (Lessee's) written acknowledgment of the Demand and its acceptance of and agreement with the provisions thereof. If Escrow Agent does not receive Lessee's acknowledgment, acceptance and agreement by the fifth (5th) business day following its (Escrow Agent's) receipt of the Demand, Lessee shall be deemed to have acknowledged, accepted and agreed with the provisions of the Demand, and Escrow Agent shall forthwith proceed to turn over all funds in the Equipment Acquisition Account to a State District Court in Bexar County, Texas.

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:	SunTrust Equipment Finance & Leasing Corp. 300 East Joppa Road, 7th Floor Towson, MD 21286 Attention: Cathy Paul Phone: (410) 307-6603 Fax: (410) 307-6710
If to Lessee:	City of San Antonio, Texas Finance Department 111 Soledad, 5th Floor San Antonio, TX 78205 Attn: Division of Financial Management Phone: (210) 207-5734 Fax: (210) 207-7774
If to Escrow Agent:	Frost Bank P.O. Box 1600 San Antonio, TX 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 or Lessee under this Escrow Agreement may be assigned without the prior written consent of Lessor, which Lessor shall not unreasonably withhold or delay. Lessor may freely assign its interest in this Escrow Agreement and the Equipment Acquisition Account in connection with an assignment by Lessor of its rights under the Lease.

15. This Escrow Agreement shall be governed by and construed in accordance with the laws in the state of the Escrow Agent's location. 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.

SIGNATURES ON BEHALF OF THE PARTIES TO THIS AGREEMENT

APPEAR ON PAGE FOLLOWING

SIGNATURE PAGE TO

ESCROW AND ACCOUNT CONTROL AGREEMENT

DATED AS OF JULY 2, 2014

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.

SUNTRUST EQUIPMENT FINANCE & LEASING CORP., as Lessor

By: _____
Name: _____
Title: _____

CITY OF SAN ANTONIO, TEXAS, as Lessee

By: _____
Name: Troy Elliott, CPA
Title: Director of Finance

FROST BANK, as Escrow Agent

By: _____
Name: _____
Title: _____

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 and Account Control Agreement dated as of July 2, 2014 (the *"Escrow Agreement"*) by and among SunTrust Equipment Finance & Leasing Corp., a Virginia Corporation (the *"Lessor"*); the 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 Lease Agreement dated as of July 2, 2014 (the *"Master Lease"*) and Equipment Schedule No. 01 dated July 2, 2014 (collectively, the *"Schedule"* and, together with the terms and conditions of the Master Tax-Exempt Lease Purchase Agreement 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 NAME/ FUNDING INSTRUCTIONS	INVOICE NUMBER	AMOUNT	PURPOSE

Total requisition amount $_____

The undersigned, as Lessee under the Lease, hereby certifies to Escrow Agent and Lessor:

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 the 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. The representations and warranties contained in the Lease are true and correct as of the date hereof.

7. No Event of Default or Non-Appropriation, 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, has occurred and is continuing on the date hereof.

8. 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 and will be applied in payment of all such Lease Payments due and payable during such current fiscal year.

9. 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.

10. 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

11. 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 specifications; (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:_____

SUNTRUST EQUIPMENT FINANCE & LEASING CORP.
as Lessor

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT G-1

Lease No.: 09496
Equipment Schedule: 01

TO: City of San Antonio Finance Department
Risk Management, Richardo Granado
111 Soledad, 10th Floor
San Antonio, TX 78205

Insurance Agent:
Marsh USA, Attn: Michelle Drew, AVP
9830 Collonnade Blvd., Suite 400
San Antonio, TX 78230
Phone# 210-691-4172
FAX # 210-736-6651

Gentlemen:

CITY OF SAN ANTONIO, TEXAS has entered into a Master Tax-Exempt Lease/Purchase Agreement dated as of July 2, 2014 with **SUNTRUST EQUIPMENT FINANCE & LEASING CORP.** In accordance with the Agreement, Lessee certifies that it has instructed the insurance agent named above to issue:

a. All Risk Physical Damage Insurance on the leased Equipment evidenced by a **Certificate of Insurance and Long Form Loss Payable Clause naming SUNTRUST EQUIPMENT FINANCE & LEASING CORP. and/or its assigns as Loss Payee.**

The Coverage Required is **$4,447,661.47 (excludes issuance costs).**

PROPERTY:

GENERAL DESCRIPTION	DETAILED DESCRIPTION	QTY
Automated Side Loader Refuse Truck	2014 ACX64 EXPEDITOR Cab & Chassis with Heil Durapak Python Refuse Collection Body	6
Brush Truck with Trailer	Brush Tractors with Horizontal Rear Discharge Brush Trailers	6
Wheel Loaders	Articulated Wheel Loader - Front Loader 5.5 CY Bucket	1
Wheel Loaders	Articulated Wheel Loader - Front Loader 4 CY Bucket	1
Grappler	Brush Grappler - Class 8768 > 33,000 GVW - Brush Truck with Grappler	3
Roll Off Truck	Brush Tractor Roll Off Truck - Class 8767 > 33,000 GVW	5

LOCATION: Fleet Acquisitions
Brooks City Base
8220 Lindbergh Landing, Building 1106
San Antonio, Texas 78235

Upon issuance of the coverage outlined above, please mail a certificate of insurance to SUNTRUST EQUIPMENT FINANCE & LEASING CORP., 300 East Joppa Road, 7th Floor, Towson, MD 21286.

Your courtesy in issuing and forwarding the requested certificate at your earliest convenience will be appreciated.

Very truly yours,

CITY OF SAN ANTONIO, TEXAS,

By: _____
Name: Troy Elliott, CPA
Title: Director of Finance
Date:_____

EXHIBIT G-2

Lease Number: 09496
Equipment Schedule: 01

QUESTIONNAIRE FOR SELF-INSURANCE TO
MASTER TAX-EXEMPT LEASE/PURCHASE AGREEMENT

In connection with the Master Tax-Exempt Lease/Purchase Agreement (the "Agreement"), dated as of July 2, 2014, made and entered into by and between **SUNTRUST EQUIPMENT FINANCE & LEASING CORP.**, as Lessor ("Lessor"), and the lessee identified below, as Lessee ("Lessee"), Lessee warrants and represents to Lessor the following information. The terms capitalized herein but not defined herein shall have the meanings assigned to them in the Agreement.

1. *Property Insurance.*

a. Lessee is self-insured for damage or destruction to the Equipment.
YES NO (circle one)
If yes, the dollar amount limit for property damage to the Equipment under Lessee's self-insurance program is $_____.

b. Lessee maintains an umbrella insurance policy for claims in excess of Lessee's self-insurance limits for property damage to the Equipment as indicated above.
YES NO (circle one)
If yes, the umbrella policy provides coverage for all risk property damage.
YES NO (circle one)
If yes, the dollar limit for property damage to the Equipment under such umbrella policy is $_____.

2. *Liability Insurance.*

a. Lessee is self-insured for liability for injury or death of any person or damage or loss of property arising out of or relating to the condition or operation of the Equipment.
YES NO (circle one)
If yes, the dollar limit for such liability claims under Lessee's self-insurance program is $_____.

b. Lessee maintains an umbrella insurance policy for claims in excess of Lessee's self-insurance limits for liability including injury or death of persons or damage to property as indicated above.
YES NO (circle one)
If yes, the umbrella policy provides coverage for liabilities for injury and death to persons as well as damage or loss of property arising out of or relating to the condition or operation of the Equipment.
YES NO (circle one)
If yes, the dollar amount of the umbrella policy's limits for such liability coverage is $_____.

3A. *Self Insurance Fund.*

a. Lessee maintains a self-insurance fund.
YES NO (circle one)
If yes, please complete the following:
Monies in the self-insurance fund are subject to annual appropriation.
YES NO (circle one)
The total amount maintained in the self-insurance fund to cover Lessee's self-insurance liabilities is $_____.

b. Amounts paid from Lessee's self-insurance fund are subject to limitations for each claim.
YES NO (circle one)
If yes, the dollar amount of limit per claim is $250,000/500,000/100,000 as per Tort Cap Limits.

3B. *No Self Insurance Fund*.

a. If Lessee does not maintain a self-insurance fund, please complete the following:
Lessee obtains funds to pay claims for which it has self-insured from the following sources:

b. The limitations on the amounts payable for claims from the above sources are as follows:

4. *Authority*.

a. The following entity or officer has authority to authorize payment for claim:
- The assigned claims adjuster may issue payment for settlement of any one claimant that arises from the same occurrence in the amount of $2,500 or less without the necessity of City Approval;
- Settlement in an amount between $2,500.01 and $15,000.00 per claimant shall require approval of the Risk Manager or his designee and the City Attorney or his designee;
- Settlement in any amount between $15,000.01 and $50,000.00 per claimant shall require approval of a majority of the Claims Board;
- Settlement in any amount above $50,000.00 per claimant shall require approval of the City Council through passage of a City Ordinance.

b. In the event the entity or officer named in the prior response denies payment of a claim, does the claimant have recourse to another administrative officer, agency or the courts?

YES NO (circle one)

If yes, to whom does the claimant have recourse?

Courts

5. *Certificates of Insurance*.

Attached hereto are copies of certificates of insurance with respect to policies maintained by Lessee.

IN WITNESS WHEREOF, Lessee has caused this Questionnaire to be executed as a supplement to the representations of Lessee in the Agreement by its duly authorized officer.

CITY OF SAN ANTONIO, TEXAS,
Lessee

By:_____
Name: Troy Elliott, CPA
Title: Director of Finance
Date:_____

Telephone: 210/207-5734
Facsimile: 210/207-7774

Attachment

SUNTRUST EQUIPMENT FINANCE & LEASING CORP.

ADDENDUM TO EQUIPMENT SCHEDULE NO. 01
TO MASTER TAX-EXEMPT LEASE/PURCHASE AGREEMENT (LEASE NO. 09496)
RELATING TO SELF-INSURANCE

THIS ADDENDUM is made as of July 2, 2014, between **SUNTRUST EQUIPMENT FINANCE & LEASING CORP.** ("Lessor") and **CITY OF SAN ANTONIO, TEXAS** ("Lessee").

Recitals

A. Lessor and Lessee have entered into a Master Tax-Exempt Lease/Purchase Agreement dated as of July 2, 2014(the "Agreement").

B. Lessee desires to lease equipment described in Equipment Schedule No. 01 to the Agreement (the "Equipment") and Lessee has requested that Lessor lease such Equipment to Lessee.

C. With respect to Equipment Schedule No. 01, Lessee has requested that Lessor permit it to provide self-insurance for liability claims and property damage.

D. Lessor is willing to grant Lessee's request subject to the following terms and conditions.

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

1. The terms capitalized in this Addendum but not defined herein shall have the meanings assigned to them in the Agreement.
2. Lessee hereby represents and warrants that all representations and warranties contained in the Agreement are true and correct as of the date hereof and that neither a Non-Appropriation nor any Event of Default or event which, with the passage of time or giving of notice or both, would constitute an Event of Default has occurred under the Agreement.
3. All other terms and conditions of the Agreement not specifically amended by this Addendum shall remain in full force and affect and are hereby ratified and confirmed by Lessee.
4. Lessee represents and warrants that all representations and warranties contained in the Questionnaire for Self- Insurance to Master Tax-Exempt Lease/Purchase Agreement (the "Questionnaire") are true and correct as of the date hereof.
5. Lessor acknowledges receipt of the Questionnaire and, in reliance upon the information provided therein, agrees that Lessee may satisfy the requirements of Sections 7.1 through 7.3 of the Agreement with respect to Equipment Schedule No. 01 through self-insurance.
6. By written notice to Lessee, Lessor may revoke its agreement relative to Equipment Schedule No. 01 to accept self-insurance in lieu of the insurance required by Section 7.1 through 7.3 of the Agreement at any time during the related Lease Term when Lessor deems itself insecure with respect to such self-insurance. Within thirty (30) days of receipt of notice from Lessor, Lessee agrees to obtain insurance in compliance with Section 7.1, 7.2 and 7.3 of the Agreement and provide evidence thereof to Lessor.

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

CITY OF SAN ANTONIO, TEXAS,
Lessee

By:_____
Name: Troy Elliott, CPA
Title: Director of Finance
Date:_____

SUNTRUST EQUIPMENT FINANCE & LEASING CORP.,
Lessor

By:_____
Name:
Title:
Date:_____

[PAGE TO BE REPLACED BY UCC-1 FINANCING STATEMENT]

SCHEDULE A TO FINANCING STATEMENT OF
CITY OF SAN ANTONIO, TEXAS, AS DEBTOR, AND
SUNTRUST EQUIPMENT FINANCE & LEASING CORP., AS SECURED PARTY

Continuation of Collateral Description

The financing statement to which this Schedule A is attached covers the types of property described on the face of such financing statement and all of the Debtor's right, title and interest in and to (collectively, the "Collateral"):

GENERAL DESCRIPTION	DETAILED DESCRIPTION	QTY
Automated Side Loader Refuse Truck	2014 ACX64 EXPEDITOR Cab & Chassis with Heil Durapak Python Refuse Collection Body	6
Brush Truck with Trailer	Brush Tractors with Horizontal Rear Discharge Brush Trailers	6
Wheel Loaders	Articulated Wheel Loader - Front Loader 5.5 CY Bucket	1
Wheel Loaders	Articulated Wheel Loader - Front Loader 4 CY Bucket	1
Grappler	Brush Grappler - Class 8768 > 33,000 GVW - Brush Truck with Grappler	3
Roll Off Truck	Brush Tractor Roll Off Truck - Class 8767 > 33,000 GVW	5

(a) the equipment described in Equipment Schedule No. 01 dated as of July 2, 2014 (the "Equipment Schedule") to the Master Tax-Exempt Lease/Purchase Agreement dated as of July 2, 2014 (the "Agreement," and together with the Equipment Schedule,

the "Lease") between Debtor, as lessee, and Secured Party, as lessor, as such Lease may be amended, modified or supplemented from time to time together with all of Debtor's right, title and interest in and to the Equipment Acquisition Fund established in Debtor's name at **FROST BANK** ("Escrow Agent") pursuant to the Escrow Agreement dated as of July 2, 2014 (the "Escrow Agreement") among Debtor, Secured Party and Escrow Agent;

(b) to the extent not included in the foregoing, all books, ledgers and records and all computer programs, tapes, discs, punch cards, data processing software, transaction files, master files and related property and rights (including computer and peripheral equipment) necessary or helpful in enforcing, identifying or establishing any item of Collateral; and

(c) to the extent not included in the foregoing, all repairs, replacements, substitutions and modifications and all proceeds and products of any or all of the foregoing, whether existing on the date hereof or arising hereafter.

CITY OF SAN ANTONIO, TEXAS

INDEX TO LEGAL DOCUMENTS

NON-BANK-QUALIFIED ESCROW

Master Tax-Exempt Lease/Purchase Agreement, Lease Number 09496, Dated as of July 2, 2014;

Exhibit A - Equipment Schedule No. 01;

Payment Schedule;

Exhibit B - No-Arbitrage and Tax Certificate;

Exhibit C - Resolution of Governing Body; - b.b

Exhibit D - Incumbency Certificate;

NEED → Exhibit E - Opinion of Counsel;

Exhibit F - Escrow Agreement, with its Schedule I and Exhibit A;

Exhibit G-1 Confirmation of Outside Insurance;

Exhibit G-2 Questionnaire for Self-Insurance to Lease and Addendum;

Delete?

UCC Financing Statements with attached Schedule A;

Form 8038-G **COPY AND PASTE THE LINK BELOW TO DOWNLOAD THE FORM, COMPLETE, EXECUTE AND RETURN A COPY WITH ALL DOCUMENTS**

http://apps.irs.gov/app/picklist/list/formsPublications.html;jsessionid=oe6S1Sxh2WJLCum-hAK0OQ__?value=8038-G&criteria=formNumber

Delet

PLEASE NOTE: IF THIS LEASE IS NOT FUNDED ON JULY 2, 2014, CERTAIN EQUIPMENT SCHEDULE DOCUMENT PAGES WILL NEED TO BE RE-PRINTED AND INSERTED INTO THE FUNDING PACKAGE. THESE PAGES DO NOT INCLUDE SIGNATURE PAGES NOR THE PAYMENT SCHEDULE. THE MASTER TAX-EXEMPT LEASE/PURCHASE AGREEMENT DATE WILL STAY AS JULY 2ND.

E X H I B I T B

EXHIBIT F
Lease No. 09496
Equipment Schedule No. 01

ESCROW AND ACCOUNT CONTROL AGREEMENT

THIS ESCROW AND ACCOUNT CONTROL AGREEMENT (*"Escrow Agreement"*) is made as of July 2, 2014 by and among SunTrust Equipment Finance & Leasing Corp., a Virginia Corporation (*"Lessor"*); the City of San Antonio, Texas, a political subdivision of the State of Texas (*"Lessee"*); and Frost Bank, San Antonio, Texas, a Texas State banking association, as escrow agent (*"Escrow Agent"*).

Lessor and Lessee have heretofore entered into that certain Master Lease Agreement dated as of July 2, 2014 (the *"Agreement"*) and Equipment Schedule No. 01 also dated as of July 2, 2014 (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 $4,470,161.00, 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, and is to be applied to pay the vendor(s) or manufacturer(s) of the Equipment (the *"Vendor"*) its invoice cost (a portion of which may, if required, be paid prior to final acceptance of the Equipment by Lessee), 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 "San Antonio Equipment Acquisition Account (2014)" (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. Each of the parties has authority to enter into this Escrow Agreement and has taken all actions necessary to authorize the execution of this Escrow Agreement by the representatives whose signatures are affixed hereto.

2. After execution of the Lease and delivery to Lessor by Lessee of all documents required to be delivered thereunder, 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 "San Antonio Equipment Acquisition Account (2014)". 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 Texas 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. Lessee shall be responsible for the initiation of the disbursement process pursuant to this Section 7(a). Neither Escrow Agent nor Lessor shall be responsible for any additional monies assessed to Lessee resulting from disbursements made from the Equipment Acquisition Account.

(b) If an Event of Default or Non-Appropriation 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 thirty-six 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 as determined in its sole reasonable discretion.

(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 first to unpaid fees, late charges and collection costs, if any, which have been accrued or incurred under the Lease, then to overdue Lease Payments (as defined in the Agreement) on the Lease, then to 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.

Notwithstanding anything contained herein to the contrary, in the event of a disagreement between Lessor and Lessee with regard to funds in the Equipment Acquisition Account, Lessor shall have the right to submit a written demand ("Demand") to Escrow Agent, with a copy to Lessee, that Escrow Agent turn over all funds in the Equipment Acquisition Account to a State District Court in Bexar County, Texas, pending resolution of such disagreement. Within three (3) business days after Lessee's receipt of the Demand, Lessee shall deliver to Escrow Agent, with a copy to Lessor, its (Lessee's) written acknowledgment of the Demand and its acceptance of and agreement with the provisions thereof. If Escrow Agent does not receive Lessee's acknowledgment, acceptance and agreement by the fifth (5th) business day following its (Escrow Agent's) receipt of the Demand, Lessee shall be deemed to have acknowledged, accepted and agreed with the provisions of the Demand, and Escrow Agent shall forthwith proceed to turn over all funds in the Equipment Acquisition Account to a State District Court in Bexar County, Texas.

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:	SunTrust Equipment Finance & Leasing Corp. 300 East Joppa Road, 7th Floor Towson, MD 21286 Attention: Cathy Paul Phone: (410) 307-6603 Fax: (410) 307-6710
If to Lessee:	City of San Antonio, Texas Finance Department 111 Soledad, 5th Floor San Antonio, TX 78205 Attn: Division of Financial Management Phone: (210) 207-5734 Fax: (210) 207-7774
If to Escrow Agent:	Frost Bank P.O. Box 1600 San Antonio, TX 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 or Lessee under this Escrow Agreement may be assigned without the prior written consent of Lessor, which Lessor shall not unreasonably withhold or delay. Lessor may freely assign its interest in this Escrow Agreement and the Equipment Acquisition Account in connection with an assignment by Lessor of its rights under the Lease.

15. This Escrow Agreement shall be governed by and construed in accordance with the laws in the state of the Escrow Agent's location. 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.

SIGNATURES ON BEHALF OF THE PARTIES TO THIS AGREEMENT

APPEAR ON PAGE FOLLOWING

SIGNATURE PAGE TO

ESCROW AND ACCOUNT CONTROL AGREEMENT

DATED AS OF JULY 2, 2014

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.

SUNTRUST EQUIPMENT FINANCE & LEASING CORP., as Lessor

By: _____
Name: _____
Title: _____

CITY OF SAN ANTONIO, TEXAS, as Lessee

By: _____
Name: Troy Elliott, CPA
Title: Director of Finance

FROST BANK, as Escrow Agent

By: _____
Name: _____
Title: _____

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 and Account Control Agreement dated as of July 2, 2014 (the *"Escrow Agreement"*) by and among SunTrust Equipment Finance & Leasing Corp., a Virginia Corporation (the *"Lessor"*); the 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 Lease Agreement dated as of July 2, 2014 (the *"Master Lease"*) and Equipment Schedule No. 01 dated July 2, 2014 (collectively, the *"Schedule"* and, together with the terms and conditions of the Master Tax-Exempt Lease Purchase Agreement 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 NAME/ FUNDING INSTRUCTIONS	INVOICE NUMBER	AMOUNT	PURPOSE

Total requisition amount $_____

The undersigned, as Lessee under the Lease, hereby certifies to Escrow Agent and Lessor:

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 the 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. The representations and warranties contained in the Lease are true and correct as of the date hereof.

7. No Event of Default or Non-Appropriation, 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, has occurred and is continuing on the date hereof.

8. 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 and will be applied in payment of all such Lease Payments due and payable during such current fiscal year.

9. 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.

10. 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

11. 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 specifications; (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: _____

SUNTRUST EQUIPMENT FINANCE & LEASING CORP.
as Lessor

By: _____
Name: _____
Title: _____
Date: _____

E X H I B I T C

EXHIBIT A

EQUIPMENT SCHEDULE NO. 01
TO LEASE NO. 09496

The following Equipment comprises an Equipment Group which is the subject of the Master Tax-Exempt Lease/Purchase Agreement dated as July 2, 2014 (the "Agreement") between the undersigned Lessor and Lessee. The Agreement is incorporated herein in its entirety, and Lessee hereby reaffirms each of its representations, warranties and covenants contained in the Agreement. Lessee warrants that no Non-Appropriation and no Event of Default, or event which, with the passage of time or the giving of notice or both, would constitute an Event of Default, has occurred under the Agreement. An Acceptance Certificate and Payment Schedule are attached to this Equipment Schedule and by reference are made a part hereof. The terms capitalized in this Equipment Schedule but not defined herein shall have the meanings assigned to them in the Agreement.

EQUIPMENT GROUP

The cost of the Equipment Group and costs of issuance to be funded by Lessee under this Lease is **$4,470,161.00** (the"Acquisition Cost"). The Equipment Group consists of the following Equipment which has been or shall be purchased below:

GENERAL DESCRIPTION	DETAILED DESCRIPTION	QTY
Automated Side Loader Refuse Truck	2014 ACX64 EXPEDITOR Cab & Chassis with Heil Durapak Python Refuse Collection Body	6
Brush Truck with Trailer	Brush Tractors with Horizontal Rear Discharge Brush Trailers	6
Wheel Loaders	Articulated Wheel Loader - Front Loader 5.5 CY Bucket	1
Wheel Loaders	Articulated Wheel Loader - Front Loader 4 CY Bucket	1
Grappler	Brush Grappler - Class 8768 > 33,000 GVW - Brush Truck with Grappler	3
Roll Off Truck	Brush Tractor Roll Off Truck - Class 8767 > 33,000 GVW	5

The Equipment Group is essential to the governmental and/or proprietary functions of Lessee. The Equipment Group is or will be primarily garaged or principally domiciled at the following location and shall be utilized by Lesse in accordance with its intended

purposes at various locations within the jurisdiction of Lessee. Prior to relocation of the Equipment Group or any portion thereof during the Lease Term, Lessee will provide written notice to Lessor:

111 Soledad, 5th Floor, San Antonio, TX 78205

Fleet Acquisitions
Brooks City Base
8220 Lindbergh Landing, Building 1106
San Antonio, Texas 78235

CITY OF SAN ANTONIO, TEXAS,
Lessee

By:_____
Name: Troy Elliott, CPA
Title: Director of Finance
Date: _____

Address: Finance Department
111 Soledad Street, 4th, 5th, 10th & 11th Floor
San Antonio, TX 78205

Telephone: 210/207-5734
Facsimile: 210/207-7774

SUNTRUST EQUIPMENT FINANCE & LEASING CORP.,
Lessor

By:_____
Name:
Title:
Date:_____

Address: 300 East Joppa Road, 7th Floor
Towson, MD 21286

Telephone:
Facsimile:

Lease Number: 09496
Equipment Schedule: 01

PAYMENT SCHEDULE

The Funding Date with respect to the above referenced Equipment Group shall be July 2, 2014. Lessor shall retain any interest or income accruing between the Funding Date and the date on which interest begins to accrue in accordance with the Payment Schedule more fully set forth below. The annual Interest rate applicable to the Equipment Group shall be 1.69%. The first Lease Payment is due on August 1, 2014 and subsequent payments are due quarterly as set forth below.

Payment Number	Payment Date	Total Payment	Principal Component	Interest Component	Prepayment Price
0	07-02-2014				$4,470,161.00
Int Only	08-01-2014	$6,085.63		$ 6,085.63	4,470,161.00
1	11-01-2014	169,614.60	$150,728.17	18,886.43	4,319,432.83
2	02-01-2015	169,614.60	151,364.99	18,249.61	4,168,067.84
3	05-01-2015	169,614.60	152,004.51	17,610.09	4,016,063.33
4	08-01-2015	169,614.60	152,646.73	16,967.87	3,863,416.60
5	11-01-2015	169,614.60	153,291.66	16,322.94	3,710,124.94
6	02-01-2016	169,614.60	153,939.32	15,675.28	3,556,185.62
7	05-01-2016	169,614.60	154,589.71	15,024.89	3,401,595.91
8	08-01-2016	169,614.60	155,242.85	14,371.75	3,246,353.06
9	11-01-2016	169,614.60	155,898.75	13,715.85	3,090,454.31
10	02-01-2017	169,614.60	156,557.43	13,057.17	2,933,896.88
11	05-01-2017	169,614.60	157,218.88	12,395.72	2,776,678.00
12	08-01-2017	169,614.60	157,883.13	11,731.47	2,618,794.87
13	11-01-2017	169,614.60	158,550.19	11,064.41	2,460,244.68
14	02-01-2018	169,614.60	159,220.06	10,394.54	2,301,024.62
15	05-01-2018	169,614.60	159,892.77	9,721.83	2,141,131.85
16	08-01-2018	169,614.60	160,568.31	9,046.29	1,980,563.54
17	11-01-2018	169,614.60	161,246.72	8,367.88	1,819,316.82

18	**02-01-2019**	169,614.60	161,927.98	7,686.62	1,657,388.84
19	**05-01-2019**	169,614.60	162,612.13	7,002.47	1,494,776.71
20	**08-01-2019**	169,614.60	163,299.16	6,315.44	1,331,477.55
21	**11-01-2019**	169,614.60	163,989.10	5,625.50	1,167,488.45
22	**02-01-2020**	169,614.60	164,681.96	4,932.64	1,002,806.49
23	**05-01-2020**	169,614.60	165,377.74	4,236.86	837,428.75
24	**08-01-2020**	169,614.60	166,076.46	3,538.14	671,352.29
25	**11-01-2020**	169,614.60	166,778.13	2,836.47	504,574.16
26	**02-01-2021**	169,614.60	167,482.77	2,131.83	337,091.39
27	**05-01-2021**	169,614.60	168,190.39	1,424.21	168,901.00
28	**08-01-2021**	169,614.60	168,901.00	713.60	0.00
	Total	$4,755,294.43	$4,470,161.00	$285,133.43	

SIGNATURE PAGE FOR PAYMENT SCHEDULE TO MASTER TAX-EXEMPT LEASE/PURCHASE AGREEMENT, NO. 09496, DATED JULY 2, 2014, EQUIPMENT SCHEDULE NO. 01

CITY OF SAN ANTONIO, TEXAS,
Lessee

By:_____
Name: Troy Elliott, CPA
Title: Director of Finance
Date:_____