CERTIFICATE OF CITY CLERK
OF
CITY OF SAN ANTONIO, TEXAS

Lease Schedule No: **1000141127 ("Lease"**

Lessee: **CITY OF SAN ANTONIO, TEXAS**

THE UNDERSIGNED HEREBY CERTIFIES that:

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

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

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

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

AUTHORIZING THE PUBLIC PROPERTY FINANCE CONTRACT AND AN ESCROW AND ACCOUNT CONTROL AGREEMENT FOR THE ACQUISTION OF A HELICOPTER FOR THE POLICE DEPARTMENT; AUTHORIZING SCHEDULE A TO THE PUBLIC PROPERTY FINANCE CONTRACT IN THE TOTAL AMOUNT OF $2,858,759.00, AUTHORIZING THE EXECUTION OF DOCUMENTS RELATED

TO THE TRANSACTION; ENACTING OTHER PROVISIONS INCIDENT AND RELATED TO THE SUBJECT AND PURPOSE OF THIS ORDINANCE; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE.

was introduced and submitted to the Council for passage and adoption. After presentation and due consideration of the Ordinance, a motion was made by Councilmember MEDINA 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:

10 voted "For" ϕ voted Against" ϕ 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.

4. The transactions contemplated by the Lease have been duly authorized by the Council pursuant to the attached Ordinance.

5. The Ordinance remains in full force and effect on the date of this Certificate and has not been modified or rescinded.

6. The following are the name, title and specimen signature of the representative of Lessee who is duly authorized to execute and deliver the Lease and any related documents, and he has been duly appointed to hold and currently holds the position of Lessee which is set forth opposite his name:

Troy Elliott	Finance Director	
Name	Title	Signature

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the City, this 10th day of February, 2016.

City Clerk, City of San Antonio, Texas

(SEAL)

RKN
02/11/16
Item No. 9 A

AN ORDINANCE 2016-02-11-0067

AUTHORIZING THE PUBLIC PROPERTY FINANCE CONTRACT AND AN ESCROW AND ACCOUNT CONTROL AGREEMENT FOR THE ACQUISTION OF A HELICOPTER FOR THE POLICE DEPARTMENT; AUTHORIZING SCHEDULE A TO THE PUBLIC PROPERTY FINANCE CONTRACT IN THE TOTAL AMOUNT OF $2,858,759.00, AUTHORIZING THE EXECUTION OF DOCUMENTS RELATED TO THE TRANSACTION; ENACTING OTHER PROVISIONS INCIDENT AND RELATED TO THE SUBJECT AND PURPOSE OF THIS ORDINANCE; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE.

* * * * *

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

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

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

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

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

WHEREAS, the Lessee desires to acquire on or about February 17, 2016, one (1) helicopter for the Police Department (the "Helicopter") for the total amount of $2,858,759.00, as disclosed in Schedule A to the Master Agreement attached hereto as **Exhibit B** and incorporated by reference for all purposes; and

WHEREAS, the Helicopter is sometimes hereafter collectively referred to as the "Equipment"; and

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

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

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

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

SECTION 1. The City hereby approves the bid form presented by JP Morgan Chase Bank, N.A. as the low bid and selects and approves JP Morgan Chase Bank N.A. as the finance provider of the Public Property Finance Contract which provides for the financing of $2,858,759.00 for the acquisition of the Helicopter for the Police Department at an interest rate of 1.654% for an eighty-four (84) month term to pay the costs of the transaction. The terms and conditions of that certain Public Property Finance Contract ("Master Agreement") by and between the City and JP Morgan Chase Bank, N.A., a true and correct copy of which is attached hereto as **Exhibit A**, are hereby approved. The City Manager, the City Manager's designee, and/or the City's Chief Financial Officer or his designee, and/or the Director of Finance or his designee, acting on behalf of the City, are hereby authorized to execute and enter into the Master Agreement in substantially the form set forth in **Exhibit A** hereto.

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 five (5) business days from the effective date of this Ordinance within which to negotiate and execute the Master Agreement, substantially according to the terms and conditions set forth in **Exhibit A** hereto. If the Master Agreement is not negotiated and executed within said five (5) 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 Master Agreement unless there is subsequent City Council approval. In such event, the City Council's approval of the bid form of JP Morgan Chase Bank, N.A. and the approval of JP Morgan Chase Bank, N.A. as the finance provider in Section 1 of this Ordinance shall be immediately rescinded and repealed in all things, and there shall be no property rights vested in JP Morgan Chase Bank, N.A. as the result of such approvals. Also in such event, City Staff is hereby authorized to commence negotiations with the financial institution submitting the second lowest bid and, if agreement can be reached as to the terms and conditions of a contract, to present it for City Council approval.

SECTION 2. The City hereby selects and approves Frost Bank, San Antonio, Texas, as the account agent of the Escrow and Account Control Agreement (the "Escrow Agreement"). The terms and conditions of that certain Escrow and Account Control Agreement ("Escrow Agreement") by and between the City, Frost Bank, San Antonio, Texas, and JP Morgan Chase Bank, N.A., a true and correct copy of which is attached hereto as **Exhibit B**, are hereby approved. The City Manager, the City Manager's designee, and/or the City's Chief Financial Officer or his designee, and/or the Director of Finance or his designee, acting on behalf of the

City, are hereby authorized to execute and enter into the Escrow Agreement in substantially the form set forth in **Exhibit B** hereto.

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 five (5) 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 B** hereto. If the Escrow Agreement is not negotiated and executed within said five (5) 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 Agreement unless there is subsequent City Council approval. In such event, the City Council's approval of the bid form of JP Morgan Chase Bank, N.A. and the approval of JP Morgan Chase Bank, N.A. as the finance provider in Section 1 of this Ordinance shall be immediately rescinded and repealed in all things, and there shall be no property rights vested in JP Morgan Chase Bank, N.A. as the result of such approvals. Also in such event, City Staff is hereby authorized to commence negotiations with the financial institution submitting the second lowest bid and, if agreement can be reached as to the terms and conditions of a contract, to present it for City Council approval.

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

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

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 five (5) business days from the effective date of this Ordinance within which to negotiate and execute the Schedule, substantially according to the terms and conditions set forth in **Exhibit C** hereto. If the Schedule is not negotiated and executed within said five (5) business days, or if the parties cannot agree to terms of the Schedule within such time, then there shall be no authority to execute the Schedule unless there is subsequent City Council approval. In such event, the City Council's approval of the bid form of JP Morgan Chase Bank, N.A. and the approval of JP Morgan Chase Bank, N.A. as the finance provider in Section 1 of this Ordinance shall be

immediately rescinded and repealed in all things, and there shall be no property rights vested in JP Morgan Chase Bank, N.A. as the result of such approvals. Also in such event, City Staff is hereby authorized to commence negotiations with the financial institution submitting the second lowest bid and, if agreement can be reached as to the terms and conditions of a contract, to present it for City Council approval.

SECTION 5. The aggregate original principal amount for the Helicopter shall not exceed the amount set forth in the Schedule to the Master Agreement and shall bear interest as set forth in the Schedule to the Master Agreement, and the Schedule to the Master Agreement shall contain such options to purchase and/or prepayment by the City as set forth therein.

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

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

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

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

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

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

SECTION 12. Expenses not to exceed $2,858.759.00 associated with this ordinance will be available in Fund 29089014, 2015A Equipment Acquisition, contingent upon the execution of a lease agreement. Principal and interest payments will be charged to Cost Center 1704050001 and General Ledgers 5404010 and 5404020, respectively.

SECTION 13. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers,

SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

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

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

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

M A Y O R
Ivy R. Taylor

ATTEST:

Leticia M. Vacek, City Clerk

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

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

Agenda Item:	**9A (in consent vote: 4, 5, 6, 7, 8, 9A, 9B, 10A, 10B, 11, 12, 13A, 13B, 14A, 14B, 14C, 15, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 31, 32)**
Date:	02/11/2016
Time:	09:19:59 AM
Vote Type:	Motion to Approve
Description:	An Ordinance approving the Master Tax-Exempt Lease Purchase Agreement for Police Helicopter with JP Morgan Chase Bank and an Escrow and Account Control Agreement with JP Morgan Chase Bank and Frost Bank, approving Exhibits and related Schedules to the Master Tax-Exempt Lease Purchase Agreement for Police Helicopter in the amount of $2,858,759 for a helicopter for the Police Department.
Result:	Passed

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

EXHIBIT A

CHASE

PUBLIC PROPERTY FINANCE CONTRACT
(NON-APPROPRIATION)

Dated As of: **FEBRUARY 17, 2016**

Borrower: **CITY OF SAN ANTONIO, TEXAS**

This Public Property Finance Contract together with all addenda, riders and attachments hereto, as the same may from time to time be amended, modified or supplemented ("Contract") is made and entered by and between **JPMORGAN CHASE BANK, N.A.** ("Lender") and the borrower identified above ("Borrower").

1. **PURCHASE OF EQUIPMENT.** Subject to the terms and conditions of this Contract, Lender agrees to make a loan to Borrower to finance the purchase of the Equipment described in each Schedule signed from time to time by Borrower and Lender.

2. **CERTAIN DEFINITIONS.** All terms defined in the Loan are equally applicable to both the singular and plural form of such terms. (a) "Schedule" means each Loan Schedule signed and delivered by Borrower and Lender, together with all addenda, riders, attachments, certificates and exhibits thereto, as the same may from time to time be amended, modified or supplemented. Borrower and Lender agree that each Schedule (except as expressly provided in said Schedule) incorporates by reference all of the terms and conditions of this Contract. (b) "Loan" means any one Schedule and this Contract as incorporated into said Schedule. (c) "Equipment" means the property described in each Schedule, together with all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto. (d) "Lien" means any security interest, lien, mortgage, pledge, encumbrance, judgment, execution, attachment, warrant, writ, levy, other judicial process or claim of any nature whatsoever by or of any person.

3. **LOAN TERM.** The term of the loan described in each Loan ("Loan Term") commences on the first date any portion of the Loan is funded by Lender or on the date specified in the Schedule for such Loan and, unless earlier terminated as expressly provided in the Loan, continues until Borrower's payment and performance in full of all of Borrower's obligations under the Loan.

4. **LOAN PAYMENTS.**

4.1 For each Loan, Borrower agrees to pay to Lender the payments in the amounts and at the times as set forth in the Payment Schedule attached to the Schedule ("Loan Payments"). A portion of each Loan Payment is paid as and represents the payment of interest as set forth in the Payment Schedule. Borrower acknowledges that its obligation to pay Loan Payments including interest therein accrues as of the Accrual Date stated in the Schedule or its Payment Schedule; provided, that no Loan Payment is due until Lender funds any potion of the Loan or the parties execute an escrow agreement. Loan Payments will be payable for the Loan Term in U.S. dollars, without notice or demand at the office of Lender (or such other place as Lender may designate from time to time in writing).

4.2 If Lender receives any payment from Borrower later than ten (10) days from the due date, Borrower shall pay Lender on demand as a late charge five per cent (5%) of such overdue amount, limited, however, to the maximum amount allowed by law.

4.3 EXCEPT AS SPECIFICALLY PROVIDED IN SECTION 6, THE OBLIGATION TO PAY LOAN PAYMENTS UNDER EACH LOAN SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS AND SHALL NOT BE SUBJECT TO ANY SETOFF, DEFENSE, COUNTERCLAIM, ABATEMENT OR RECOUPMENT FOR ANY REASON WHATSOEVER.

5. **DELIVERY; ACCEPTANCE; FUNDING CONDITIONS.**

5.1 Borrower shall arrange for the transportation, delivery and installation of all Equipment to the location specified in the Schedule ("Location") by Equipment suppliers ("Suppliers") selected by Borrower. Borrower shall pay all costs related thereto.

5.2 Borrower shall accept Equipment as soon as it has been delivered and is operational. Borrower shall evidence its acceptance of any Equipment by signing and delivering to Lender the applicable Schedule. If Borrower signs and delivers a Schedule and if all Funding Conditions have been satisfied in full, then Lender will advance funds on the Loan to pay or cause to be paid the costs of such Equipment as stated in the Schedule ("Purchase Price") to the Escrow Agent named in that certain Escrow And Account

Control Agreement dated as of February 17, 2016, by and between Lender, Borrower, and Frost Bank, San Antonio, Texas ("Escrow Agent".

5.3 Lender shall have no obligation to pay any Purchase Price unless all reasonable conditions established by Lender ("Funding Conditions") have been satisfied, including, without limitation, the following: (a) Borrower has signed and delivered the Schedule and its Payment Schedule; (b) no Event of Default shall have occurred and be continuing; (c) no material adverse change shall have occurred in the Internal Revenue Code of 1986, as amended, and the related regulations and rulings thereunder (collectively, the "Code"); (d) no material adverse change shall have occurred in the financial condition of Borrower or any Supplier; (e) the Equipment is reasonably satisfactory to Lender and is free and clear of any Liens (except Lender's Liens); (f) all representations of Borrower in the Loan remain true, accurate and complete; and (g) Lender has received all of the following documents, which shall be reasonably satisfactory, in form and substance, to Lender: (1) evidence of insurance coverage required by the Loan; (2) an opinion of Borrower's counsel; (3) reasonably detailed invoices for the Equipment; (4) Uniform Commercial Code (UCC) financing statements; (5) copies of resolutions by Borrower's governing body authorizing the Loan and incumbency certificates for the person(s) who will sign the Loan; (6) such documents and certificates relating to the tax-exempt interest payable under the Loan (including, without limitation, IRS Form 8038G or 8038GC) as Lender may request; and (7) such other documents and information previously identified by Lender or otherwise reasonably requested by Lender.

6. TERMINATION FOR GOVERNMENTAL NON-APPROPRIATIONS.

6.1 For the Loan, Borrower represents and warrants: that it has appropriated and budgeted the necessary funds to make all Loan Payments required pursuant to such Loan for the remainder of the fiscal year in which the Loan Term commences; and that it currently intends to make Loan Payments for the full Loan Term as scheduled in the applicable Payment Schedule if funds are appropriated for the Loan Payments in each succeeding fiscal year by its governing body. Without contractually committing itself to do so, Borrower reasonably believes that moneys in an amount sufficient to make all Loan Payments can and will lawfully be appropriated and made available for such Loan Payments. All Loan Payments shall be payable out of the general funds of Borrower or out of other funds legally available for such Loan Payments. Lender agrees that the Loan will not be a general obligation of Borrower and the Loan shall not constitute a pledge of either the full faith and credit of Borrower or the taxing power of Borrower.

6.2 If Borrower's governing body fails to appropriate sufficient funds in any fiscal year for Loan Payments or other payments due under the Loan and if other funds are not legally available for such payments, then a "Non-Appropriation Event" shall be deemed to have occurred. If a Non-Appropriation Event occurs, then: (a) Borrower shall give Lender immediate notice of such Non-Appropriation Event and provide written evidence of such failure by Borrower's governing body; (b) on the Return Date, Borrower shall return to Lender all, but not less than all, of the Equipment covered by the Loan, at Borrower's sole expense, in accordance with Section 21 hereof (provided, that if under applicable State law Borrower's obligation to pay the expenses of returning the Equipment would render the Loan void or unenforceable under State law, then Borrower shall not be obligated to pay the expenses of returning the Equipment under Section 21 hereof, but Borrower shall be required to cooperate with Lender in Lender's taking possession of the Equipment); and (c) the Loan shall terminate on the Return Date without penalty to Borrower, provided, that Borrower shall pay all Loan Payments and other amounts payable under the Loan for which funds have been appropriated or are otherwise legally available, provided further, that Borrower shall pay month-to-month rent at the rate set forth in the Loan for each month or part thereof that Borrower fails to return the Equipment under this Section 6.2. "Return Date" means the last day of the fiscal year for which appropriations were made for the Loan Payments due under the Loan."

7. LIMITATION ON WARRANTIES. LENDER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, AS TO THE MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY OF THE EQUIPMENT OR AS TO THE VALUE, DESIGN, CONDITION, USE, CAPACITY OR DURABILITY OF ANY OF THE EQUIPMENT. Borrower agrees that (a) Lender is not a manufacturer or dealer of any Equipment and has no liability for the delivery or installation of any Equipment, (b) Lender assumes no obligation with respect to any manufacturer's or Supplier's product warranties or guaranties, (c) no manufacturer or Supplier or any representative of said parties is an agent of Lender, and (d) any warranty, representation, guaranty or agreement made by any manufacturer or Supplier or any representative of said parties shall not be binding upon Lender.

8. TITLE; SECURITY INTEREST.

8.1 Upon Borrower's acceptance of any Equipment under a Loan, title to the Equipment shall vest in Borrower, subject to Lender's security interest therein and all of Lender's other rights under such Loan including, without limitation, Sections 6, 20 and 21 hereof.

8.2 As collateral security for the Secured Obligations, Borrower hereby grants to Lender a first priority security interest in any and all of the Equipment (now existing or hereafter acquired) and any and all proceeds thereof. Borrower agrees to execute and

deliver to Lender all necessary documents to evidence and perfect such security interest, including, without limitation, UCC financing statements and any amendments thereto.

8.3 "Secured Obligations" means Borrower's obligations to pay all Loan Payments and all other amounts due and payable under all present and future Loans and to perform and observe all covenants, agreements and conditions (direct or indirect, absolute or contingent, due or to become due, or existing or hereafter arising) of Borrower under all present and future Loans.

9. **PERSONAL PROPERTY.** All Equipment is and will remain personal property and will not be deemed to be affixed or attached to real estate or any building thereon.

10. **MAINTENANCE AND OPERATION.** Borrower agrees it shall, at its sole expense: (a) repair and maintain all Equipment in good condition and working order and supply and install all replacement parts or other devices when required to so maintain the Equipment or when required by applicable law or regulation, which parts or devices shall automatically become part of the Equipment; and (b) use and operate all Equipment in a careful manner in the normal course of its operations and only for the purposes for which it was designed in accordance with the manufacturer's warranty requirements; and (c) comply with all laws and regulations relating to the Equipment. If any Equipment is customarily covered by a maintenance agreement, Borrower will furnish Lender with a maintenance agreement by a party reasonably satisfactory to Lender. No maintenance or other service for any Equipment will be provided by Lender. Borrower will not make any alterations, additions or improvements ("Improvements") to any Equipment without Lender's prior written consent unless the Improvements may be readily removed without damage to the operation, value or utility of such Equipment, but any such Improvements not removed prior to the termination of the applicable Loan shall automatically become part of the Equipment.

11. **LOCATION; INSPECTION.** Equipment will not be removed from, or if Equipment is rolling stock its permanent base will not be changed from, the Location without Lender's prior written consent which will not be unreasonably withheld. Upon reasonable notice to Borrower, Lender may enter the Location or elsewhere during normal business hours to inspect the Equipment.

12. **LIENS AND TAXES.**

12.1 Borrower shall keep all Equipment free and clear of all Liens except those Liens created under its applicable Loan. Borrower shall not sublet or lend any Equipment or permit it to be used by anyone other than Borrower or Borrower's employees.

12.2 Borrower shall pay when due all Taxes which may now or hereafter be imposed upon any Equipment or its ownership, lease, rental, sale, purchase, possession or use, upon any Loan or upon any Loan Payments or any other payments due under any Loan. If Borrower fails to pay such Taxes when due, Lender shall have the right, but not the obligation, to pay such Taxes. If Lender pays any such Taxes, then Borrower shall, upon demand, immediately reimburse Lender therefor. "Taxes" means present and future taxes, levies, duties, assessments or other governmental charges that are not based on the net income of Lender, whether they are assessed to or payable by Borrower or Lender, including, without limitation (a) sales, use, excise, licensing, registration, titling, gross receipts, stamp and personal property taxes, and (b) interest, penalties or fines on any of the foregoing.

13. **RISK OF LOSS.**

13.1 Borrower bears the entire risk of loss, theft, damage or destruction of any Equipment in whole or in part from any reason whatsoever ("Casualty Loss"). No Casualty Loss to any Equipment shall relieve Borrower from the obligation to make any Loan Payments or to perform any other obligation under any Loan. Proceeds of any insurance recovery will be applied to Borrower's obligations under this Section 13.

13.2 If a Casualty Loss occurs to any Equipment, Borrower shall immediately notify Lender of the same and Borrower shall, unless otherwise directed by Lender, immediately repair the same.

13.3 If Lender reasonably determines that any item of Equipment has suffered a Casualty Loss beyond repair ("Lost Equipment"), then Borrower shall either: (a) immediately replace the Lost Equipment with similar equipment in good repair, condition and working order free and clear of any Liens (except Lender's Liens), in which event such replacement equipment shall automatically be Equipment under the applicable Loan, and deliver to Lender true and complete copies of the invoice or bill of sale covering the replacement equipment; or (b) on earlier of 60 days after the Casualty Loss or the next scheduled Loan Payment date (the "Loss Payment Due Date"), pay Lender (i) all amounts owed by Borrower under the applicable Loan, including the Loan Payments due on or accrued through such date plus (ii) an amount equal to the Termination Value as of the Loan Payment date (or if the Casualty Loss payment is due between Loan Payment dates, then as of the Loan Payment date preceding the date that the Casualty Loss payment is due) set forth in the Payment Schedule to the applicable Loan.

13.4 Borrower shall bear the risk of loss for, shall pay directly, any and all claims, liabilities, proceedings, actions, expenses (including reasonable attorney's fees), damages or losses arising under or related to any Equipment, including, but not limited to, the possession, ownership, lease, use or operation thereof. These obligations of Borrower shall survive any expiration or termination of any Loan. Borrower shall not bear the risk of loss of, nor pay for, any claims, liabilities, proceedings, actions, expenses (including attorney's fees), damages or losses which arise directly from events occurring after any Equipment has been returned by Borrower to Lender in accordance with the terms of the applicable Loan or which arise directly from the gross negligence or willful misconduct of Lender.

14. **INSURANCE.**

14.1 (a) Borrower at its sole expense shall at all times keep all Equipment insured against all Casualty Losses for an amount not less than the Termination Value of the Equipment. Proceeds of any such insurance covering damage or loss of any Equipment shall be payable to Lender as lender loss payee. (b) Borrower at its sole expense shall at all times carry public liability and third party property damage insurance in amounts reasonably satisfactory to Lender protecting Borrower and Lender from liabilities for injuries to persons and damage to property of others relating in any way to any Equipment. Proceeds of any such public liability or property insurance shall be payable first to Lender as additional insured to the extent of its liability, and then to Borrower.

14.2 All insurers shall be reasonably satisfactory to Lender. Borrower shall promptly deliver to Lender satisfactory evidence of required insurance coverage and all renewals and replacements thereof. Each insurance policy will require that the insurer give Lender at least 30 days prior written notice of any cancellation of such policy and will require that Lender's interests remain insured regardless of any act, error, misrepresentation, omission or neglect of Borrower. The insurance maintained by Borrower shall be primary without any right of contribution from insurance which may be maintained by Lender.

14.3 Notwithstanding anything to the contrary set out in Section 14.1 or Section 14.2 above, with Lender's prior written consent, Borrower may self-insure against the risks described in Section 14.1. Execution of this Contract on behalf of Lender evidences its prior written consent to Borrower's self-insurance against such risks. Borrower shall furnish to Lender evidence of such insurance or self-insurance coverage throughout each Loan Term. Borrower shall not cancel or modify such insurance or self-insurance coverage in any way that would affect the interests of Lender without first giving written notice thereof to Lender at least thirty (30) days in advance of such cancellation or modification.

15 PREPAYMENT; PURCHASE

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

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

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

15.2. **Optional Prepayment**. Borrower shall have the right to prepay the outstanding principal balance of the Loan Schedule, in full or in part on any Loan payment date which occurs after the first twelve months of the Loan Term; provided, that as conditions precedent to Borrower's right to make, and Lender's obligation to accept, any such prepayment: (i) Lender shall have actually received the notice required in Section 15.1(b) above providing the amount of principal which will be prepaid (the "Prepaid Principal") and the date (the "Prepayment Date") on which the prepayment will be made; (ii) each prepayment of principal shall be in the amount of twenty-five ($25,000) dollars or a larger integral multiple of five thousand ($5,000) dollars (unless the prepayment retires the outstanding balance of the Schedule A in full); and (iii) each such prepayment shall be in the amount of one hundred percent (100%) of the principal amount to be prepaid plus accrued unpaid interest thereon to the Prepayment Date, plus any other sums which have become due to Lender under such Loan Schedule on or before the Prepayment Date but have not been paid, provided, however, in no event shall any prepayment cause the Interest Rate on such Loan Schedule to exceed the maximum interest rate allowed for similar governmental obligations pursuant to Chapter 1204, Texas Government Code, as amended, or other applicable laws in effect as of the date of such Loan Schedule. All prepayments of principal shall be applied to principal in inverse order of maturity. There are no prepayment premiums.

15.3. **Consummation of Purchase.** Lender's security interest in the Equipment identified in Loan Schedule shall be terminated and released automatically in conjunction with the Purchase Rigths as provided in section 15.1 above, unless an Event of Default hereunder shall have occurred and be continuing as of such date. Such date may at the discretion of Lender be extended for such additional period as Lender's counsel reasonably determines to be necessary to reflect the impact of, and avoid the risks related to, bankruptcy-related llaws. On such date, Lender shall deliver to Borrower such deeds, termination statements, bills of sale and other documents and instruments as Borrower shall reasonably require to evidence the transfer of all right, title and interest of Lender in such Equipment to Borrower free and clear of all liens and encumbrances created by or arising, directly or indirectly, through Lender.

15.4. **Mandatory Prepayment.** Subject to Section 18, all or substantially all of the assets of Borrower, including Borrower's interest in this Agreement and the Equipment, may be acquired in any manner by another entity, subject to the opinion of counsel acceptable to Lender as to the continued exclusion from gross income of the interest component of the Loan Payments. However, if all or substantially all of the assets of Borrower, including Borrower's interest in this Agreement and the Equipment, are acquired in any manner by another entity, Borrower may be required, at the direction of Lender to prepay in whole pursuant to Section 15.2 hereof.

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

16. **BORROWER'S REPRESENTATIONS AND WARRANTIES.** With respect to each Loan and its Equipment, Borrower hereby represents and warrants to Lender that: (a) Borrower has full power, authority and legal right to execute and deliver the Loan and to perform its obligations under the Loan, and all such actions have been duly authorized by appropriate findings and actions of Borrower's governing body; (b) the Loan has been duly executed and delivered by Borrower and constitutes a legal, valid and binding obligation of Borrower, enforceable in accordance with its terms; (c) the Loan is authorized under, and the authorization, execution and delivery of the Loan complies with, all applicable federal, state and local laws and regulations (including, but not limited to, all open meeting, public bidding and property acquisition laws) and all applicable judgments and court orders; (d) the execution, delivery and performance by Borrower of its obligations under the Loan will not result in a breach or violation of, nor constitute a default under, any agreement, lease or other instrument to which Borrower is a party or by which Borrower's properties may be bound or affected; (e) there is no pending, or to the best of Borrower's knowledge threatened, litigation of any nature which may have a material adverse effect on Borrower's ability to perform its obligations under the Loan; and (f) Borrower is a state, or a political subdivision thereof, as referred to in Section 103 of the Code, and Borrower's obligation under the Loan constitutes an enforceable obligation issued on behalf of a state or a political subdivision thereof.

17. **FEDERAL INCOME TAX EXCLUSION.**

17.1 **General.** Borrower intends that the interest on the Loan be excludable from gross income for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Code and the applicable Treasury Regulations (the "Regulations"). Borrower covenants and agrees not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, would (i) cause the interest on the Loan to be includable in gross income, as defined in Section 61 of the Code, for federal income tax purposes or (ii) result in the violation of or failure to satisfy any provision of Section 103 and 141 through 150 of the Code and the applicable Regulations. In particular, Borrower covenants and agrees to comply with each requirement of this Section 17; provided, however, that Borrower will not be required to comply with any particular requirement of this Section 17 if Borrower has received an opinion of nationally recognized bond counsel ("Counsel's Opinion") that (i) such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Loan or (ii) compliance with some other requirement set forth in this Section 17 will satisfy the applicable requirements of the Code and the Regulations, in which case compliance with such other requirement specified in such Counsel's Opinion will constitute compliance with the corresponding requirement specified in this Section 17.

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

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

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

17.5 **No Arbitrage.** Borrower covenants and agrees that it will make such use of the proceeds of the Loan, including interest or other investment income derived from the Loan, regulate investments of proceeds of the Loan, and take such other and further action as may be required so that the Loan will not be an "arbitrage bond" within the meaning of Section 148(a) of the Code and the applicable Regulations promulgated thereunder. Moreover, Borrower will certify, through an authorized officer, employee or agent, based upon all facts and estimates known or reasonably expected to be in existence on the date the Loan is delivered, that proceeds of the Loan will not be used in a manner that would cause the Loan to be "arbitrage bonds" within the meaning of Section 148(a) of the Code and the applicable Regulations promulgated thereunder.

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

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

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

17.9 **Deliberate Actions.** Borrower will not take a deliberate action (as defined in Section 1.141-2(d)(3) of the Regulations) that causes the Loan to fail to meet any requirement of Section 141 of the Code after the issue date of the Finance Contract unless an appropriate remedial action is permitted by Section 1.141-12 of the Regulations, Borrower takes such remedial action and a Counsel's Opinion is obtained that such remedial action cures any failure to meet the requirements of Section 141 of the Code.

17.10 **Continuing Obligation.** Notwithstanding any other provision of this Agreement, Borrower's obligations under the covenants and provisions of this Section 17 will survive the defeasance and discharge of the Loan for as long as such matters are relevant to the exclusion from gross income of interest on the Loan for federal income tax purposes.

18. ASSIGNMENT.

18.1 Borrower shall not assign, transfer, pledge, hypothecate, nor grant any Lien on, nor otherwise dispose of, any Loan or any Equipment or any interest in any Loan or Equipment.

18.2 Lender may assign its rights, title and interest in and to any Loan or any Equipment, and/or may grant or assign a security interest in any Loan and its Equipment, in whole or in part, to any party at any time. Any such assignee or lienholder (an "Assignee") shall have all of the rights of Lender under the applicable Loan. Lender hereby covenants not to take any action which will convert any Loan into a public security pursuant to the provisions of Chapter 1201, as amended, Texas Government Code, and

require the approval of the Texas Attorney General, including any action to "participate" or issue certificates of participation in the Lender's Lease Payment stream. **BORROWER AGREES NOT TO ASSERT AGAINST ANY ASSIGNEE ANY CLAIMS, ABATEMENTS, SETOFFS, COUNTERCLAIMS, RECOUPMENT OR ANY OTHER SIMILAR DEFENSES WHICH BORROWER MAY HAVE AGAINST LENDER.** Unless otherwise agreed by Borrower in writing, any such assignment transaction shall not release Lender from any of Lender's obligations under the applicable Loan. An assignment or reassignment of any of Lender's right, title or interest in a Loan or its Equipment shall be enforceable against Borrower only after Borrower receives a written notice of assignment which discloses the name and address of each such Assignee, provided that such notice from Lender to Borrower of any assignment shall not be so required if Lender assigns a Loan to JPMORGAN CHASE & CO. or any of its direct or indirect subsidiaries. Borrower shall keep a complete and accurate record of all such assignments in the form necessary to comply with Section 149(a) of the Code and for such purpose, Borrower hereby appoints Lender (or Lender's designee) as the book entry and registration agent to keep a complete and accurate record of any and all assignments of any Loan. Borrower agrees to acknowledge in writing any such assignments if so requested.

18.3 Each Assignee of a Loan hereby agrees that: (a) the term Secured Obligations as used in Section 8.3 hereof is hereby amended to include and apply to all obligations of Borrower under the Assigned Loans and to exclude the obligations of Borrower under any Non-Assigned Loans; (b) said Assignee shall have no Lien on, nor any claim to, nor any interest of any kind in, any Non-Assigned Loan or any Equipment covered by any Non-Assigned Loan; and (c) Assignee shall exercise its rights, benefits and remedies as the assignee of Lender (including, without limitation, the remedies under Section 20 of the Contract) solely with respect to the Assigned Loans. "Assigned Loans" means only those Loans which have been assigned to a single Assignee pursuant to a written agreement; and "Non-Assigned Loans" means all Loans excluding the Assigned Loans.

18.4 Subject to the foregoing, each Loan inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

19. **EVENTS OF DEFAULT.** For each Loan, "Event of Default" means the occurrence of any one or more of the following events as they may relate to such Loan: (a) Borrower fails to make any Loan Payment (or any other payment) as it becomes due in accordance with the terms of the Loan, and any such failure continues for ten (10) days after the due date thereof; (b) Borrower fails to perform or observe any of its obligations under Sections 12.1, 14 or 18.1 hereof; (c) Borrower fails to perform or observe any other covenant, condition or agreement to be performed or observed by it under the Loan and such failure is not cured within thirty (30) days after receipt of written notice thereof by Lender; (d) any statement, representation or warranty made by Borrower in the Loan or in any writing delivered by Borrower pursuant thereto or in connection therewith proves at any time to have been false, misleading or erroneous in any material respect as of the time when made; or (e) Borrower applies for or consents to the appointment of a receiver, trustee, conservator or liquidator of Borrower or of all or a substantial part of its assets, or a petition for relief is filed by Borrower under any federal or state bankruptcy, insolvency or similar law, or a petition in a proceeding under any federal or state bankruptcy, insolvency or similar law is filed against Borrower and is not dismissed within sixty (60) days thereafter.

20. **REMEDIES.** If any Event of Default occurs, then Lender may, at its option, exercise any one or more of the following remedies:

(a) Lender may require Borrower to pay (and Borrower agrees that it shall pay) all amounts then currently due under all Loans and all remaining Loan Payments due under all Loans during the fiscal year in effect when the Event of Default occurs together with interest on such amounts at the rate of twelve percent (12%) per annum (but not to exceed the highest rate permitted by applicable law) from the date of Lender's demand for such payment;

(b) Lender may require Borrower to promptly return all Equipment under all or any of the Loans to Lender in the manner set forth in Section 21 (and Borrower agrees that it shall so return the Equipment), or Lender may, at its option, enter upon the premises where any Equipment is located and repossess any Equipment without demand or notice, without any court order or other process of law and without liability for any damage occasioned by such repossession;

(c) Lender may sell, lease or otherwise dispose of any Equipment under all or any of the Loans, in whole or in part, in one or more public or private transactions, and if Lender so disposes of any Equipment, then Lender shall retain the entire proceeds of such disposition free of any claims of Borrower, provided, that if the net proceeds of the disposition of all the Equipment exceeds the applicable Termination Value of all the Schedules plus the amounts payable by Borrower under clause (a) above of this Section and under clause (f) below of this Section, then such excess amount shall be remitted by Lender to Borrower;

(d) Lender may terminate, cancel or rescind any Loan as to any and all Equipment;

(e) Lender may enforce any and all rights to payment by mandamus;

(f) Lender may exercise any other right, remedy or privilege which may be available to Lender under applicable law or, by appropriate court action at law or in equity, Lender may enforce any of Borrower's obligations under any Loan; and/or

(g) Lender may require Borrower to pay (and Borrower agrees that it shall pay) all out-of-pocket costs and expenses incurred by Lender as a result (directly or indirectly) of the Event of Default and/or of Lender's actions under this section, including, without limitation, any attorney fees and expenses and any costs related to the repossession, safekeeping, storage, repair, reconditioning or disposition of any Equipment.

None of the above remedies is exclusive, but each is cumulative and in addition to any other remedy available to Lender. Lender's exercise of one or more remedies shall not preclude its exercise of any other remedy. No delay or failure on the part of Lender to exercise any remedy under any Loan shall operate as a waiver thereof, nor as an acquiescence in any default, nor shall any single or partial exercise of any remedy preclude any other exercise thereof or the exercise of any other remedy.

21. **RETURN OF EQUIPMENT.** If Lender is entitled under the provisions of any Loan, including any termination thereof pursuant to Sections 6 or 20 of this Contract, to obtain possession of any Equipment or if Borrower is obligated at any time to return any Equipment, then (a) title to the Equipment shall vest in Lender immediately upon Lender's notice thereof to Borrower, and (b) Borrower shall, at its sole expense and risk, immediately de-install, disassemble, pack, crate, insure and return the Equipment to Lender (all in accordance with applicable industry standards) at any location in the continental United States selected by Lender. Such Equipment shall be in the same condition as when received by Borrower (reasonable wear, tear and depreciation resulting from normal and proper use excepted), shall be in good operating order and maintenance as required by the applicable Loan, shall be free and clear of any Liens (except Lender's Lien) and shall comply with all applicable laws and regulations. Until Equipment is returned as required above, all terms of the applicable Loan shall remain in full force and effect including, without limitation, obligations to pay Loan Payments and to insure the Equipment. Borrower agrees to execute and deliver to Lender all documents reasonably requested by Lender to evidence the transfer of legal and beneficial title to such Equipment to Lender and to evidence the termination of Borrower's interest in such Equipment.

22. **LAW GOVERNING.** Each Loan shall be governed by the laws of the state where Borrower is located (the "State").

23. **NOTICES.** Any notices and demands under or related to this document shall be in writing and delivered to the intended party at its address stated herein (if to Lender 1111 Polaris Parkway, Suite 3A – OH1-1085, Columbus, Ohio 43240-2050, to the attention of the GNPH Operations Manager) . Notice shall be deemed sufficiently given or made (a) upon receipt if delivered by hand, (b) on the Delivery Day after the day of deposit with a nationally recognized courier service, (c) on the third Delivery Day after the day of deposit in the United States mail, sent certified, postage prepaid with return receipt requested, and (d) only if to Borrower, on the third Delivery Day after the notice is deposited in the United States mail, postage prepaid. "Delivery Day" means a day other than a Saturday, a Sunday, or any other day on which national banking associations are authorized to be closed. Any party may change its address for the purposes of the receipt of notices and demands by giving notice of such change in the manner provided in this provision.

24. **FINANCIAL INFORMATION.** Borrower agrees to furnish to Lender annual audited financial statements of Borrower within 180 days of the end of each fiscal year of Borrower.

25. **DECLARATION OF PERSONAL PROPERTY FINANCING.**

(a) BORROWER AND LENDER EXPRESSLY DECLARE AND AGREE THAT THE EQUIPMENT SHALL CONSTITUTE PERSONAL PROPERTY AND THAT THE EQUIPMENT SHALL NOT BE DEEMED, OR IDENTIFIED AS, ANY OF THE FOLLOWING: REAL PROPERTY; AN IMPROVEMENT ON ANY REAL PROPERTY; A PERMANENT BUILDING OR STRUCTURE ON ANY REAL PROPERTY; OR A FIXTURE ON ANY REAL PROPERTY.

(b) Borrower represents and warrants to Lender that the Equipment is personal property and that the Equipment is not any of the following: real property; an improvement on any real property; a permanent building or structure on any real property; or a fixture on any real property.

(c) Without limiting the generality of the representations in the Contract as it applies to the Loan, Borrower represents and warrants to Lender that the Loan complies with all applicable provisions of the laws of the State of Texas, including, without limitation, all applicable public finance laws of the State of Texas.

26. **NO SALE OF FRACTIONAL INTERESTS IN THE LOAN.** Lender agrees that: (a) unless otherwise agreed by Borrower in writing, Lender will not create or sell fractional interests in the Loan or participation interests in the Loan; (b) if Lender sells or assigns its rights in the Loan, then, unless otherwise agreed by Borrower in writing, such sale or assignment shall be of an undivided interest in all of Lender's right, title and interest in the Loan to a single purchaser or assignee; and (c) if Borrower consents to the

creation or sale of any fractional interests in the Loan or any participation interests in the Loan, Lender agrees that such transaction shall comply with applicable State and federal law.

27. **INTEREST RATE.** The interest rate payable under the Loan Schedule shall never exceed the then maximum interest rate allowed for similar governmental obligations pursuant to Chapter 1204, Texas Government Code, as amended, or other applicable laws in effect as of the date of such Loan Schedule.

28. **SECTION HEADINGS.** All section headings contained herein or in any Schedule are for convenience of reference only and do not define or limit the scope of any provision of any Loan.

29. **EXECUTION IN COUNTERPARTS.** Each Schedule to this Contract may be executed in several counterparts, each of which shall be deemed an original, but all of which shall be deemed one instrument. If more than one counterpart of each Schedule is executed by Borrower and Lender, then only one may be marked "Lender's Original" by Lender. A security interest in any Schedule may be created through transfer and possession only of: the sole original of said Schedule if there is only one original; or the counterpart marked "Lender's Original" if there are multiple counterparts of said Schedule.

30. **SECTION 26.02 NOTICE; WRITTEN AMENDMENTS.** THE CONTRACT, THE LOAN SCHEDULE AND ALL OTHER INSTRUMENTS, DOCUMENTS AND AGREEMENTS EXECUTED AND DELIVERED IN CONNECTION THEREWITH EMBODY THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING THERETO, AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. No Loan shall be modified, amended, altered, or changed except with the written consent of Borrower and Lender. Any provision of any Loan found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of the Loan.

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

CITY OF SAN ANTONIO, TEXAS (Borrower)	**JPMORGAN CHASE BANK, N.A.** (Lender)
By: _____	By: _____
Title: _____	Title: Authorized Officer

EXHIBIT B

ESCROW AND ACCOUNT CONTROL AGREEMENT

THIS ESCROW AND ACCOUNT CONTROL AGREEMENT (*"Escrow Agreement"*) is made as of February 17, 2016 by and among JP Morgan Chase Bank, N.A., a national banking association (*"Lender"*), City of San Antonio, Texas, a political subdivision of the State of Texas (*"Borrower"*), and Frost Bank, San Antonio, Texas, a state banking association organized under the laws of the State of Texas, as escrow agent (*"Escrow Agent"*).

Lender and Borrower have heretofore entered into that certain Public Property Finance Contract (Non-Appropriation) dated as of February 17, 2016 (the *"Agreement"*) and Schedule A-1 also dated as of February 17, 2016 (the *"Schedule"* and, together with the terms and conditions of the Agreement incorporated therein, the *"Loan"*). The Loan 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 Borrower, the Borrower will grant a security interest in the Equipment to Lender pursuant to the terms of the Loan.

The Loan further contemplates that Lender will deposit an amount equal to the anticipated aggregate acquisition cost of the Equipment and Borrower's costs of issuance (the *"Purchase Price"*), being $2,858,759.00, 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, 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 Borrower), and to the reimbursement of Borrower for its costs of issuance. Lender and Borrower acknowledge to Escrow Agent that the Loan does not contain any provision that expands the liabilities or duties of the Escrow Agent beyond those set forth in this instrument, or as otherwise required by law.

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

NOW, THEREFORE, the parties agree as follows:

1. (a) There is hereby created a special escrow account to be known as the "City of San Antonio Tax-Exempt Personal Property Finance Contract (Non-Appropriation) for Police Helicopter Account (2016)" (the "SAPD 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 SAPD Equipment Acquisition Account are irrevocably held in escrow for the benefit of Borrower and Lender, and such moneys, together with any income or interest earned thereon, shall be expended only as provided in this Escrow Agreement, and Lender and Borrower 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 Borrower or Lender, Borrower and Escrow Agent intend that the SAPD Equipment Acquisition Account constitute an escrow account in which Borrower 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 Borrower 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 Lender shall have a security interest in the SAPD Equipment Acquisition Account, and such security interest is hereby granted by Borrower to secure payment of all sums due to Lender under the Loan. For such purpose, Escrow Agent hereby agrees to act as agent for Lender 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 SAPD Equipment Acquisition Account, the Lender's interest therein.

2. On such day as is determined to the mutual satisfaction of the parties (the "*Closing Date*"), Lender 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 Lender, and further agrees to hold the amount so deposited together with all interest and other cash additions received with respect thereto, as the SAPD Equipment Acquisition Account hereunder, in escrow on the express terms and conditions set forth herein.

3. Escrow Agent shall at all times segregate the SAPD 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 SAPD Equipment Acquisition Account from time to time shall be held or registered in the name of "City of San Antonio Tax-Exempt Equipment Loan for Police Helicopter Account (2016)". The SAPD 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 Lender).

4. In order to perfect Lender's security interest by means of control in (i) the SAPD Equipment Acquisition Account established hereunder, (ii) all securities entitlements, investment property and other financial assets now or hereafter credited to the SAPD Equipment Acquisition Account, (iii) all of Borrower's rights in respect of the SAPD 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"), Lender, Borrower 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 Lender with respect to the Collateral, or any portion of the Collateral, without further consent by Borrower.

(c) Escrow Agent hereby represents and warrants (a) that the records of Escrow Agent show that Borrower 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 Lender'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 Lender under this Escrow Agreement and entitlement orders that Escrow Agent, subject to the provisions of paragraph (e) below, is obligated to accept from Borrower.

(d) Without the prior written consent of Lender, Escrow Agent will not enter into any agreement by which Escrow Agent agrees to comply with any entitlement order of any person other than Lender or, subject to the provisions of paragraph (e) below, Borrower, with respect to any portion or all of the Collateral. Escrow Agent shall promptly notify Lender 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 Borrower to effect sales, trades, transfers and exchanges of Collateral within the SAPD Equipment Acquisition Account, but will not, without the prior written consent of Lender, allow Borrower to withdraw any Collateral from the SAPD Equipment Acquisition Account. Escrow Agent acknowledges that Lender reserves the right, by delivery of written notice to Escrow Agent, to prohibit Borrower from effecting any withdrawals (including withdrawals of ordinary cash dividends and interest income), sales, trades, transfers or exchanges of any Collateral held in the SAPD Equipment Acquisition Account. Further, Escrow Agent hereby agrees to comply with any and all written instructions delivered by Lender 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 Lender, the amount of any obligations of Borrower to Lender, the validity of any of Lender's claims against or agreements with Borrower, the existence of any defaults under such agreements, or any other matter.

(f) Borrower hereby irrevocably authorizes Escrow Agent to comply with all instructions and entitlement orders delivered by Lender 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 Borrower hereby agree that any property held in the SAPD 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 Lender at its address set forth on the execution page hereof, concurrently with the sending thereof to Borrower, duplicate copies of any and all monthly SAPD Equipment Acquisition Account statements or reports issued or sent to Borrower with respect to the SAPD Equipment Acquisition Account.

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

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

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

(a) From time to time, Escrow Agent shall disburse funds from the SAPD 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 Borrower and Lender who is also an authorized signer on the SAPD Equipment Acquisition Account. The form of the Requisition Request and Certificate of Acceptance is set forth in Exhibit I hereto.

(b) If an Event of Default or Non-appropriation Event occurs under the Loan prior to the Borrower's acceptance of all the Equipment, or to the extent that funds have not been disbursed from the SAPD Equipment Acquisition Account within the thirty-six (36) month period identified in the Loan, Escrow Agent shall, upon receipt of written notice from Lender, disburse by wire transfer to Lender in accordance with Lender's wiring instructions all funds then on deposit in the SAPD Equipment Acquisition Account, and all such funds shall be applied by Lender to the prepayment of Loan Payments under the Loan.

(c) Upon receipt by Escrow Agent of written notice from Lender that the purchase price of the Equipment has been paid in full, Escrow Agent shall disburse to

Lender by wire transfer in accordance with Lender's wiring instructions all funds (if any) then remaining in the SAPD Equipment Acquisition Account, to be applied by Lender : (a) toward the principal and interest portion of the Rent Payment next coming due under the Loan; or (b) to reimburse the Borrower for the interest portion of their Rental Payments previously made within the past 18 months; or (c) toward a partial prepayment of the principal amount remaining due under the Loan and thereupon Lender shall prepare and deliver to Borrower a revised Payment Schedule reflecting such partial prepayment of principal.

8. Borrower 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 Loan, or in connection with any dispute between Lender and Borrower concerning the Escrow Account. The Escrow Agent has advised Lender and Borrower that (except as set forth below) it will not charge any fees or costs for providing its services hereunder to Borrower. Escrow Agent waives any claim against Lender with respect to compensation hereunder.

9. Escrow Agent shall have no liability for acting upon any written instruction presented by Lender 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 SAPD Equipment Acquisition Account as a result of the investments made by Escrow Agent.

10. Lender, Borrower, and Escrow Agent acknowledge that Escrow Agent presently serves as Borrower'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 Loan, Escrow Agent ceases to be Borrower's depository financial institution, Escrow Agent shall deliver its written resignation as Escrow Agent to Borrower and Lender 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 Borrower's depository financial institution, and shall be delivered to Borrower and Lender not later than thirty (30) days prior thereto. Borrower's new depository financial institution shall be substituted as the Escrow Agent under this Agreement and the Loan ("Substitute Escrow Agent"), effective on the first day on which it is Borrower'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 Loan 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 Loan, but shall remain responsible (but only if and to the extent provided in this Agreement) to Lender and Borrower 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 Lender specified in Section 7(b) or Section 7(c) hereof or upon disbursement of all funds or mutual agreement of Lender and Borrower.

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

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

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

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

If to Lender:
JP Morgan Chase Bank, N.A.
1111 Polaris Pkwy, Suite 3A
Columbus, OH 43240
Attention: Operation Manager
Phone: (800) 678-2601

If to Borrower:
City of San Antonio, Texas
Finance Department
111 Soledad, 5th Floor
San Antonio, TX 78205
Attn: Division of Financial Management
Phone: (210) 207-8637
Fax: (210) 207-7774

If to Escrow Agent: Frost Bank
P.O. Box 1600
San Antonio, 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 under this Escrow Agreement may be assigned without the prior written consent of Lender.

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

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

JP Morgan Chase Bank, N.A., as Lender

By:_____
Name:
Title:

City of San Antonio, Texas, as Borrower

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

Frost Bank, as Escrow Agent

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

EXHIBIT 1

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

-or-

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

The Escrow Agent is hereby requested to pay from the Equipment Acquisition Account established and maintained under that certain Escrow Agreement dated as of February 17, 2016 (the *"Escrow Agreement"*) by and among JP Morgan Chase Bank, N.A. (the *"Lender"*), City of San Antonio, Texas (the *"Borrower"*), 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 Borrower) with respect to Equipment being leased under that certain Public Property Finance Contract dated as of February 17, 2016 (the "Public Property Finance Contract") and Schedule A-1 dated February 17, 2016 (collectively, the *"Schedule"* and, together with the terms and conditions of the Public Property Finance Contract incorporated therein, the *"Loan"*), by and between the Lender and the Borrower, and has not formed the basis of any prior requisition request.

PAYEE'S FUNDING INSTRUCTIONS	INVOICE NUMBER	AMOUNT	PURPOSE

Total requisition amount $_____

The undersigned, as Borrower under the Loan hereby certifies:

1. The items of the Equipment, as such term is defined in the Loan, 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 Borrower only for the purpose of performing one or more governmental functions of Borrower consistent with the permissible scope of Borrower's authority.

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

4. The Borrower 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 Loan.

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

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

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

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

(a) Original Invoice(s);

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

(c) Requisition for Payment.

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

If Borrower paid an invoice prior to the commencement date of the Loan and is requesting reimbursement for such payment, also attach a copy of evidence of such payment and other evidence that Borrower 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 Borrower

By: _____
Name: _____
Title: _____

Date: _____

JP Morgan Chase Bank, N.A.,
as Lender

By: _____
Title: _____
Date: _____

EXHIBIT C

CHASE

LOAN SCHEDULE

Dated as of: FEBRUARY 17, 2016

Loan No.: 1000141127

This Loan Schedule, together with its Payment Schedule, is attached and made a part of the Public Property Finance Contract described below ("Contract") between the Borrower and Lender named below. All terms and conditions of the Contract are incorporated herein by reference. Unless otherwise defined herein, capitalized terms defined in the Contract will have the same meaning when used herein.

Public Property Finance Contract dated FEBRUARY 17, 2016.

A. **EQUIPMENT DESCRIBED:** The Equipment includes all of the property described on Schedule A-1 attached hereto and made a part hereof.

B. **EQUIPMENT LOCATION:** See Attached Schedule A-1

C. **ACCEPTANCE OF EQUIPMENT:** AS BETWEEN BORROWER AND LENDER, BORROWER AGREES THAT: (a) BORROWER HAS RECEIVED AND INSPECTED ALL EQUIPMENT; (b) ALL EQUIPMENT IS IN GOOD WORKING ORDER AND COMPLIES WITH ALL PURCHASE ORDERS, CONTRACTS AND SPECIFICATIONS; (c) BORROWER ACCEPTS ALL EQUIPMENT FOR PURPOSES OF THE LOAN "AS-IS, WHERE-IS"; AND (d) BORROWER WAIVES ANY RIGHT TO REVOKE SUCH ACCEPTANCE.

D. **GOVERNMENTAL PURPOSE; CURRENT INTENT OF BORROWER:** The Borrower is a political subdivision of the State of Texas, and is authorized and empowered under the laws of the State, particularly the Public Property Finance Act, Texas Loc. Gov't Code Ann. §271.001 et seq. (the "Act") to Loan, as Borrower, to purchase, finance, and receive, and to control and dispose of personal property, whether movable or fixed, considered by the City Council of Borrower to be necessary, useful or appropriate to one or more governmental purposes of Borrower. The City Council of Borrower has determined the Equipment is necessary, useful and appropriate to one or more governmental purposes of the Borrower. Borrower currently intends for the full Loan Term to use the Equipment and to make Loan Payments if funds are appropriated in each fiscal year by its governing body.

E. **LOAN PAYMENTS; LOAN TERM:** The Loan Payments to be paid by Borrower to Lender, the interest rate at which the interest portion of the Loan Payments is calculated, the Taxable Rate, the commencement date and the Loan Term of this Loan Schedule are each set forth on the Payment Schedule attached to this Loan Schedule.

F. **RE-AFFIRMATION OF THE CONTRACT:** Borrower hereby re-affirms all of its representations, warranties and obligations under the Contract (including, without limitation, its obligation to pay all Loan Payments, its disclaimers in Section 7 thereof and its representations in Section 16 thereof).

G. **GOVERNMENT REGULATION. ANTI-CORRUPTION.**

(a) **Representations and Warranties Regarding Anti-Corruption Laws and Sanctions**. Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by Borrower and its officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and Borrower and its officers and employees and to the knowledge of Borrower its agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) Borrower or to the knowledge of Borrower any of its officers or employees, or (b) to the knowledge of Borrower, any agent of Borrower that will act in any capacity in connection with

or benefit from the credit facility established hereby, is a Sanctioned Person. No advance, letter of credit, use of proceeds or other transaction contemplated by this Agreement will violate Anti-Corruption Laws or applicable Sanctions.

(b) **Compliance with Anti-Corruption Laws and Sanctions.** Borrower shall maintain in effect and enforce policies and procedures designed to ensure compliance by Borrower and its officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

(c) **Use of Proceeds.** Borrower shall not use, or permit any proceeds of the Contract to be used, directly or indirectly, by Borrower or its officers, employees and agents: (1) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws; (2) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country; or (3) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

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

Equipment/Escrow Acceptance Date: _____, 20___

CITY OF SAN ANTONIO, TEXAS	**JPMORGAN CHASE BANK, N.A.**
(Borrower)	(Lender)
By: _____	By: _____
Title: _____	Title: Authorized Officer

AIRCRAFT ADDENDUM TO LOAN SCHEDULE

Dated As Of FEBRUARY 17, 2016

Loan Schedule No. **1000141127**

Borrower: **CITY OF SAN ANTONIO, TEXAS**

Reference is made to the above Loan Schedule (the "Schedule") to the Public Property Finance Contract (the "Contract") identified in the Schedule by and between JPMORGAN CHASE BANK, N.A. ("Lender") and the above borrower ("Borrower"). As used herein, "Agreement" shall mean the above Schedule and the Contract, but only to the extent that the Contract relates to the Schedule. This Addendum amends and modifies the terms and conditions of the Agreement and is hereby made a part of the Agreement.

RECITALS:

A. The Lender and the Borrower are parties to an Escrow Funding Schedule Addendum and Arbitrage Certificate ("Escrow Addendum") and a related Escrow And Account Control Agreement (the "Escrow Agreement") and a Federal Tax Certificate (the "Tax Certificate") (collectively the "Escrow Funding Documents").

B. Borrower desires to acquire certain Equipment described in the Schedule, and Borrower has requested that Lender provide financing for Borrower's acquisition of such Equipment to Borrower. Such Equipment includes one or more aircraft or helicopters which shall be sold by the applicable vendor thereof (each a "Vendor") to Borrower.

C. Lender is willing to grant Borrower's request for such financing subject to the following terms and conditions.

NOW, THEREFORE, as part of the valuable consideration to induce the execution of the Agreement, Lender and Borrower hereby agree to amend and supplement the Agreement as follows:

1. All terms capitalized but not defined herein shall have the meanings ascribed to them in the Contract, the Schedule or the above Escrow Funding Documents, as the case may be. "Act" means subtitle VII of Title 49 of the United States Code. "Cape Town Treaty" has the meaning provided in 49 U.S.C. section 44113(1). "FAA" means the Federal Aviation Administration. "International Interest" has the meaning provided thereto in the Cape Town Treaty. "International Registry" has the meaning provided in 49 U.S.C. section 44113(3). "Lien" means any security interest, lien, International Interest, Prospective Assignment, Prospective International Interest, mortgage, pledge, encumbrance, judgment, execution, attachment, warrant, writ, levy, other judicial process or claim of any nature whatsoever by or of any person. "Prospective Assignment" shall have the meaning provided thereto in the Cape Town Treaty. "Prospective International Interest" shall have the meaning provided thereto in the Cape Town Treaty.

2. All references in the Contract to "Equipment" shall include each aircraft or helicopter described in the Schedule and/or in any of the Escrow Funding Documents, all engines, all transmissions, all propellers, all main rotor systems, all tail rotor systems, all components of any such aircraft or helicopter and its engines, transmissions, propellers and rotors, and all avionics, communication equipment, navigation equipment, instruments, accessories, attachments, parts, appurtenances, accessions, furnishings and other equipment attached to, installed in or relating to any such aircraft or helicopter.

3. In addition to requirements contained in the Agreement or any Escrow Funding Documents, Lender shall have no obligation to disburse any amounts to any Vendor for payment of any Equipment or, if applicable, to approve any disbursement to any Vendor from any equipment acquisition fund until after Lender has received all of the following in form and substance satisfactory to Lender:

(a) evidence that the Equipment has been duly certified as to type and airworthiness by the FAA;

(b) evidence that Lender's FAA counsel has received the executed FAA Aircraft Registration Application (AC Form 8050-1) which provides that Borrower is the registered owner of the Equipment ("FAA Application") (except for the pink copy thereof which shall be available to be placed on the Equipment upon acceptance of the Equipment) and the executed FAA Aircraft Bill of Sale (AC Form 8050-2) signed by the applicable Vendor which provides that said Vendor has transferred ownership of the Equipment to Borrower ("FAA Bill of Sale");

(c) evidence that Lender's FAA counsel has received the executed full warranty bill of sale signed by the applicable Vendor which provides that said Vendor has transferred ownership of the Equipment free and clear of all Liens to Borrower ("Warranty Bill of Sale");

(d) Borrower shall have registered and been approved as a "user" with the International Registry;

(e) an executed duplicate of the Aircraft Security Agreement covering the Equipment in the form of **Exhibit 1** attached hereto, and in proper form for filing with the FAA and the International Registry;

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

(g) verification reasonably satisfactory to Lender and its FAA counsel that the Equipment has been duly de-registered under the laws of any foreign country and that any and all Liens (if any) filed or recorded under the laws or regulations of any foreign country have been discharged and terminated of record;

(h) evidence of insurance with respect to the Equipment in compliance with Section 14 of the Contract and Section 5(i) of this Addendum;

(i) Vendor invoices relating to the Equipment for which a disbursement is requested; and

(j) any other documents or items requested by Lender including, without limitation, any documents or items required by the Agreement or the Escrow Funding Documents.

4. Borrower hereby agrees to provide to Lender in writing each of the following items promptly upon request by Lender (or within such other time period as expressly stated below):

(a) notice to Lender of the Equipment's location and the location of all information, logs, documents and records regarding or in respect of the Equipment and its use, maintenance and/or condition;

(b) notice to Lender of the relocation of the Equipment's primary hangar location, no less than 15 days prior to any relocation;

(c) copies of all information, logs, documents and records regarding or in respect of the Equipment and its use, maintenance and/or condition;

(d) such information as may be needed to enable Lender to file any reports required by any governmental authority as a result of the transactions contemplated by the Agreement;

(e) copies of any manufacturer's maintenance service program contract for any of the Equipment; and

(f) evidence of Borrower's compliance with FAA airworthiness directives and advisory circulars and of compliance with other maintenance provisions of the Agreement.

5. Without limiting the generality of any other provision of the Contract, Borrower hereby represents, warrants and covenants as follows:

(a) Borrower shall cause the Equipment to be duly registered in the name of Borrower in accordance with the Act, and the Equipment shall not be registered under the laws of any country other than the United States of America without the prior written consent of Lender. At least ninety (90) days prior to the date that any registration of the Equipment shall expire, Borrower shall, at its expense, furnish (or cause to be furnished) to Lender a new (or renewed, as the case may be) certificate of registration for the Equipment verifying that the Equipment is properly registered with the FAA in accordance with the requirements of this Section. Accordingly, Borrower shall execute and deliver in favor of Lender an irrevocable power of attorney (and any necessary authorizing documents), in form(s) acceptable to Lender, providing Lender with the power (in Lender's sole discretion) to re-register (or renew the registration of) the Equipment ("Re-registration POA") should Borrower fail to timely complete such process. Lender shall not exercise the Re-registration POA or file the Re-registration POA with the FAA unless Borrower has failed to provide evidence of the re-registration (or renewal of the registration) of the Equipment at least ninety (90) days prior to the date that any registration shall expire as described above. It is understood that Lender shall have the right to exercise its powers under the Re-registration POA, but shall not be obligated to do the same. In the event this Agreement is assigned by Lender, Borrower agrees to execute a new Re-registration POA in favor of such assignee in a form substantially similar to the original Re-registration POA. When the Secured Obligations shall have been indefeasibly and fully paid, then the Re-registration POA shall automatically terminate and be deemed to cease to exist. Borrower shall take any and all such action, and shall execute and deliver such instruments, documents and certificates, and hereby consents to any applicable International Registry registrations as Lender may require in order to maintain the registration and recordation of the respective interests of Borrower and Lender in the Equipment with the International Registry pursuant to the Cape Town Treaty and with the FAA pursuant to the Act.

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

(c) Borrower will operate the Equipment solely for governmental use and not operate or permit the Equipment to be operated (1) in a manner wherein the predominance of use during any 30-day would be for a purpose other than transportation for Borrower, or in a manner, for any time period, such that Lender or a third party shall be deemed to have "operational control" of the Equipment, or (2) for the carriage of persons or property for hire or the transport of mail or contraband.

(d) Borrower agrees that the Equipment will at times be operated by duly qualified pilots holding at least a valid commercial airman certificate and instrument rating and any other certificate, rating, type rating or endorsement appropriate to the Equipment, purpose of flight, conditions of flight or as otherwise required by Federal Aviation Regulations ("FAR"). Pilots shall be employed, paid and contracted for by Borrower, shall meet all regency of flight requirements and shall meet the requirements established and specified by the insurance policies required hereunder and FAA.

(e) Borrower agrees that the engines, propellers and rotors attached to any aircraft or helicopter described in the Agreement shall be used only on such aircraft or helicopter and shall be removed only for maintenance in accordance with the provision of the Agreement and this Addendum.

(f) Borrower agrees to maintain the Equipment in compliance with any and all statutes, laws, ordinances, regulations and standards or directives issued by any governmental agency applicable to the maintenance thereof, in compliance with any airworthiness certificate, license or registration relating to the Equipment issued by any agency and in a manner that does not modify or impair any existing warranties on the Equipment or any part thereof.

(g) Borrower agrees to maintain, inspect, service, repair, overhaul and test the Equipment (including airframe, engines, propellers and rotors) in accordance with (1) all maintenance manuals initially furnished with the Equipment, including any subsequent amendments or supplements to such manuals issued by the manufacturer from time to time, (2) all recommended "Service Bulletins" and modification kits with respect to the Equipment issued, supplied, or available by or through the manufacture and/or the manufacturer of any engine or part with respect to the Equipment, and (3) all airworthiness directive and advisory circulars issued by FAA or similar regulatory agency having jurisdictional authority, and causing compliance with such directives or circulars to be completed through corrective modification in lieu of operating manual restrictions. Borrower shall maintain all records, logs and other materials required by the manufacturer thereof for enforcement of any warranties or by FAA and shall make such records available for inspection by Lender upon Lender's request. All maintenance procedures required hereby shall be undertaken and completed in accordance with the manufacturer's recommended procedures, and by properly trained, licensed, and certificated maintenance sources and maintenance personnel, so as to keep the Equipment and any engine, propeller and rotor in as good operating condition as when delivered to Borrower hereunder, ordinary wear and tear excepted, and so as to keep the Equipment in such operating conditions as may be necessary to enable the airworthiness certification of such Equipment to be maintained in good standing at all times under FAA.

(h) Borrower agrees, at its own cost and expense, to (1) prominently display on the Equipment such N number and only that N number, specified in the Schedule or the Escrow Funding Documents, (2) notify Lender in writing ten days prior to making any change in the configuration (other than changes in configuration mandated by FAA), appearance and coloring of the Equipment, and (3) in the event of such change or modification of configuration, coloring or appearance, and if an Event of Default or a Non-Appropriation Event occurs, restore, upon request of Lender, the Equipment to the configuration, coloring or appearance in effect on the date hereof or at Borrower's option to pay to Lender an amount equal to the reasonable cost of such restoration.

(i) In addition to the insurance required by Section 14 of the Contract, with respect to the Schedule and the Equipment subject thereto, Borrower shall secure and maintain in effect at its own expense throughout the Loan Term (1) breach of warranty insurance, (2) all-risk aircraft hull and engine insurance (including, without limitation foreign object damage insurance) in an amount which is not less than the then Termination Value, and (3) confiscation, expropriation and war risk insurance. All insurance shall name the Lender as loss payee and additional insured (without responsibility for premiums) and shall provide that any cancellation or substantial change in coverage shall not be effective as to Lender for thirty (30) days after receipt by Lender or written notice from such insurer(s) of such cancellation or change, shall insure Lender's interest regardless of any breach or violation by Borrower of any warranties, declarations or conditions in such policies, shall include a severability of interest clause proving that such policy shall operate in the same manner as if there were a separate policy covering each insured, shall waive any right of setoff against Lender, and shall waive any rights of subrogation against Lender. Such insurance shall be primary and not be subject to any offset by and other insurance carried by Lender or Borrower. Borrower hereby appoints Lender as Borrower's attorney-in-fact to make proof of loss and claim for and to receive payment of and to execute or endorse all documents, checks or drafts in connection with all policies of

insurance in respect of the Equipment. Any out-of-pocket expenses of adjusting or collecting insurance proceeds shall be borne by Borrower.

(j) Borrower shall not operate the Equipment under Part 135 of FAR without the prior written approval of Lender.

(k) Upon termination of the Schedule prior to payment of all Loan Payments due thereunder or the payment of the Termination Value with respect thereto, Borrower shall, at Borrower's expense, return the Equipment to a location as Lender shall designate. Borrower shall take reasonable care to protect the Equipment from damage and mechanical and appearance degradation. Such reasonable care shall include, but not be limited to, installation of all covers, tie-downs, and other protective shipping or storage devices delivered to Borrower with the Equipment at the time of initial delivery thereof. Borrower will attempt to locate and secure adequate indoor hangar facilities for the storage of the Equipment. The Equipment shall be delivered to the location specified by Lender in good operating condition and it shall be both flyable and "airworthy" as described in the FAR. All windshield, "chin windows", door glass and fuselage windows shall be free of cracks. All interior trim pieces shall be free of damage (normal wear and tear excepted). The exterior paint shall be in good condition (normal wear and tear excepted). All markings applied by, or on behalf of, Borrower shall be removed in such a manner so as to return the Equipment to its appearance at the time Borrower originally took possession of the Equipment. All parts and components of the Equipment that have a retirement life approved by the FAA shall have at least fifty percent (50%) of their scheduled life remaining. Those parts and components that have a manufacturer's recommended overhaul interval must have at least fifty percent (50%) of their recommended overhaul interval remaining. (When computing the remaining life of any component, the most recent intervals published by the manufacturer and approved by the FAA for unrestricted use shall be utilized. Interval adjustments approved for a specific operator or group of operators will not be considered as acceptable intervals for the calculation of the time remaining.) The dollar figures for calculating the debits of time with a mandatory service life limit shall be the then-current manufacturer's list price. The dollar figures for calculating the debits of items with manufacturer recommended overhaul interval shall be determined by the manufacturer's then current list price. Any parts and components installed during the Loan Term shall be of the same configuration and part number (or approved superseding configuration and part number) that were installed at the time of Equipment delivery. Borrower shall also deliver all loose Equipment (tie-downs, ground handling wheels, tow bars, covers, and other specialized Equipment) that was delivered to Borrower along with the Equipment or which has become necessary due to installation of additional Equipment or modifications to the Equipment.

(l) In addition to the return requirements contained in Section 5(k) above and in Section 21 of the Contract, Borrower will promptly deliver to Lender all logs, manuals and data, including (without limitation) inspection, modification and overhaul records required to be maintained with respect thereto under the Agreement or under the applicable rules and regulations of FAA and under the manufacturer's recommended maintenance program, along with currently effective FAA airworthiness certificate. The Equipment shall be delivered to Lender in the same or an improved configuration as it was at the time of delivery to Borrower. Any FAA approval modifications installed on the Equipment shall become a permanent part of the Equipment and are subject to the Agreement. All parts and components installed on the Equipment shall originate from commercial manufacturers holding appropriate FAA approvals and shall be traceable to the original manufacturer, with proper statement of manufacturer's authority quoted and each invoice for parts shall include a statement to the effect that the parts conform to the manufacturer's approved standards and FAA requirements. Borrower shall, upon request, assign to Lender its rights under any manufacturer's maintenance service contract or extended warranty for the Equipment. Upon return of the Equipment, Lender and Borrower may arrange for the inspection of the same within sixty (60) days of return to determine if the Equipment has been maintained and returned in accordance with the provisions hereof and the Agreement. Borrower shall be responsible for fifty percent (50%) of the cost of such inspection and shall pay Lender such amount within ten (10) days of demand for same. In the event that the results of such inspection indicate that the Equipment has not been maintained or returned in accordance with the provisions hereof, Borrower shall pay to Lender within ten (10) days of demand, as liquidated damages, the estimated cost (the "Estimated Cost") of servicing or repairing the Equipment. The Estimated Cost shall be determined by Lender by obtaining two quotes for such service or repair work and taking the average of the same. Borrower shall bear the cost, if any, incurred by Lender in obtaining such quotes.

6. All other terms and conditions of the Contract or any Escrow Funding Documents not specifically amended by this Addendum shall remain in full force and effect and are hereby ratified and confirmed by Borrower.

[Signature Page Follows.]

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
As Borrower

By: _____

Title: _____

JPMORGAN CHASE BANK, N.A.
As Lender

By: _____

Title: _____

Attachment: Exhibit 1 (Form of Aircraft Security Agreement)

CHASE

AIRCRAFT INSURANCE REQUEST LETTER

February 12, 2016

AGENT _____

ADDRESS _____

CITY/ST/ZIP _____

PHONE#: _____

EMAIL: _____

Dear Agent:

JPMORGAN CHASE BANK, N.A. (the "Bank") requires proof of acceptable insurance coverage before the transaction can close. The requirements identified below must be provided to us on a Certificate of Insurance and stay in full effect throughout the term of the transaction.

1. The certificate of insurance must be issued directly to JPMorgan Chase Bank, N.A. and shall be issued by a company having an A.M. Best Rating of at least A- with a Financial Size Category of at least VIII.
2. The certificate of insurance must be executed.
3. The insurance must be primary and without right of contribution and any insurance maintained by the Bank or any other additional insured or loss payee will be in excess and non-contributory.
4. Policies must include a Waiver of Subrogation in favor of "JPMorgan Chase Bank, N.A., its parent and affiliates, successors or assigns".
5. Policies must include a Severability of Interest and Cross-Liability clause.
6. Policies must include written Notice of Cancellation to the Certificate Holder/Additional Insured pursuant to the terms of the policy. Such notice must be directed by certified mail to: JPMorgan Chase Bank, N.A., 1111 Polaris Parkway, Suite A3, Columbus, Ohio 43240, Attn: Insurance Dept.
7. PHYSICAL DAMAGE
   a. Replacement cost coverage for the equipment identified on the attached Schedule A-1, which is estimated to be **$2,858,759.00.**
   b. "JPMorgan Chase Bank, N.A., its parent and affiliates, successors or assigns" shall be named as Loss Payee.
   c. Breach of Warranty in favor "JPMorgan Chase Bank, N.A., its parent and affiliates, successors or assigns".
   d. War Risk Endorsement in favor of "JPMorgan Chase Bank, N.A., its parent and affiliates, successors or assigns" for the amount identified in 7a.
8. LIABILITY
   a. General liability coverage must be provided in the amount of **$50,000,000.00.**
   b. "JPMorgan Chase Bank, N.A., its parent and affiliates, successors or assigns" shall be named as Additional Insured.
   c. War Risk Endorsement in favor of "JPMorgan Chase Bank, N.A., its parent and affiliates, successors or assigns" for $50,000.000.00.

Please immediately send proof of the above insurance requirements **VIA EMAIL TO: nathaniel.j.ruhe@chase.com.**

PLEASE REFERENCE N_____ SN#_____ FOR TRACKING PURPOSES.

Sincerely,
CITY OF SAN ANTONIO, TEXAS

By: _____

CHASE

LOAN SCHEDULE ADDENDUM
(Self Insurance)

Lessee: **CITY OF SAN ANTONIO, TEXAS**

Lease Schedule No: 1000141127

Reference is made to the above Loan Schedule as amended ("Schedule") and to the Public Property Finance Contract identified therein as amended ("Public Property Finance Contract "), both of which are by and between **JPMORGAN CHASE BANK, N.A.** ("Lessor") and the above Borrower ("Borrower"). In this Addendum: "Loan" means the Schedule and the Public Property Finance Contract to the extent that it relates to the Schedule; and "Equipment" means the property described in the Schedule. This Addendum amends and modifies the terms and conditions of the Loan and is hereby made a part of the Loan. Unless otherwise defined herein, capitalized terms defined in the Loan shall have the same meaning when used herein.

NOW, THEREFORE, as part of the valuable consideration to induce the execution of the Loan, Lender and Borrower hereby agree to amend the Loan as follows:

1. **THIRD PARTY LIABILITY.** Notwithstanding anything to the contrary in Section 14 of the Public Property Finance Contract, Lender agrees that Borrower may self-insure against risk of injuries to persons and damage to property of others relating in any way to any Equipment; provided, that upon written notice from Lender to Borrower, Borrower agrees to secure and maintain commercial insurance against such risks as otherwise required by the Public Property Finance Contract if an event of default has occurred and is continuing under the Public Property Finance Contract.

2. **COMPLIANCE WITH LAW; ACTUARIALLY SOUND BASIS.** Borrower agrees that its self insurance arrangements as described herein shall comply with applicable State law related thereto or, if there is no State law applicable to such self insurance arrangements, then Borrower's self insurance arrangements shall be maintained on an actuarially sound basis.

3. **GENERAL.** Except as expressly amended by this Addendum and other modifications signed by Lender and Borrower, the Loan remains unchanged and in full force and effect.

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

CITY OF SAN ANTONIO, TEXAS (Borrower)	**JPMORGAN CHASE BANK, N.A.** (Lender)
By: _____	By: _____
Title: _____	Title: Authorized Officer

CHASE

SCHEDULE A-1
Equipment Description

Lease Schedule No 1000141127

Net Amount Financed **$2,858,759.00**

Equipment Location: **1223 99th STREET**
SAN ANTONIO, TX 78214

Equipment Description:

Manufacturer:	**Airbus Helicopters**
Model:	**EC120B**
Serial #:	**1688**
ACFT TT:	**11.0**
Engine Manufacturer:	**Turbomeca**
Engine Model:	**Arrius 2F**
Engine Serial #:	**34783**
Engine TT:	**11.0**
Rotor Assy Mfg:	**Airbus Helicopters SAS**
Main Gear Box S/N:	**M883**
Main Rotor Blade P/N:	**C621A1006103**
Main Rotor Blade S/N's:	**3056**
	3097
	3121
Tail Rotor Assembly P/N:	**C642A0101052**
Tail Rotor Assembly S/N:	**M830**
Equipped blade S/N's:	**M3867**
	M3872
	M5002
	M5003
	M5012

	M5036
	M5039
	M5042
Tail Rotor Gear Box S/N:	**M1888**
Customer:	**Airbus Helicopters Inc.**

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

This Schedule A-1 is attached to and made a part of Loan Number **1000141127** constitutes true and accurate description of the equipment.

CITY OF SAN ANTONIO, TEXAS
(Borrower)

By: _____

Title: _____

JPMORGAN CHASE BANK, N.A
(Lender)

By: _____

Title: Authorized Officer

CHASE

Payment Schedule

This Payment Schedule is attached and made a part of the Loan Schedule identified below which is part of the Public Property Finance Contract identified therein, all of which are between the Borrower and Lender named below.

Loan Schedule No. **1000141127**

Loan Schedule Dated: **February 17, 2016**

Accrual Date **02/17/2016**

Amount Financed **$2,858,759.00**

Interest Rate **1.654% per annum**

Taxable Rate **2.5734%**

Payment Number	Payment Date	Payment Amount	Interest Portion	Principal Portion	Principal Balance	Termination Value
1	5/1/2016	$ 9,719.46	$ 9,719.46	$ 0.00	$2,858,759.00	$2,944,521.77
2	8/1/2016	$ 108,333.76	$11,820.97	$ 96,512.79	$2,762,246.21	$2,845,113.60
3	11/1/2016	$ 108,333.76	$11,421.89	$ 96,911.87	$2,665,334.34	$2,745,294.37
4	2/1/2017	$ 108,333.76	$11,021.16	$ 97,312.60	$2,568,021.74	$2,645,062.39
5	5/1/2017	$ 108,333.76	$10,618.77	$ 97,714.99	$2,470,306.75	$2,544,415.95
6	8/1/2017	$ 108,333.76	$10,214.72	$ 98,119.04	$2,372,187.71	$2,443,353.34
7	11/1/2017	$ 108,333.76	$ 9,809.00	$ 98,524.76	$2,273,662.95	$2,341,872.84
8	2/1/2018	$ 108,333.76	$ 9,401.60	$ 98,932.16	$2,174,730.79	$2,239,972.71
9	5/1/2018	$ 108,333.76	$ 8,992.51	$ 99,341.25	$2,075,389.54	$2,137,651.24
10	8/1/2018	$ 108,333.76	$ 8,581.74	$ 99,752.02	$1,975,637.52	$2,034,906.66
11	11/1/2018	$ 108,333.76	$ 8,169.26	$ 100,164.50	$1,875,473.02	$1,931,737.23
12	2/1/2019	$ 108,333.76	$ 7,755.08	$ 100,578.68	$1,774,894.34	$1,828,141.20
13	5/1/2019	$ 108,333.76	$ 7,339.19	$ 100,994.57	$1,673,899.77	$1,724,116.79
14	8/1/2019	$ 108,333.76	$ 6,921.58	$ 101,412.18	$1,572,487.59	$1,619,662.25
15	11/1/2019	$ 108,333.76	$ 6,502.24	$ 101,831.52	$1,470,656.07	$1,514,775.78
16	2/1/2020	$ 108,333.76	$ 6,081.16	$ 102,252.60	$1,368,403.47	$1,409,455.62
17	5/1/2020	$ 108,333.76	$ 5,658.35	$ 102,675.41	$1,265,728.06	$1,303,699.94
18	8/1/2020	$ 108,333.76	$ 5,233.79	$ 103,099.97	$1,162,628.09	$1,197,506.97
19	11/1/2020	$ 108,333.76	$ 4,807.47	$ 103,526.29	$1,059,101.80	$1,090,874.90
20	2/1/2021	$ 108,333.76	$ 4,379.39	$ 103,954.37	$ 955,147.43	$983,801.89
21	5/1/2021	$ 108,333.76	$ 3,949.53	$ 104,384.23	$ 850,763.20	$876,286.15
22	8/1/2021	$ 108,333.76	$ 3,517.91	$ 104,815.85	$ 745,947.35	$768,325.82
23	11/1/2021	$ 108,333.76	$ 3,084.49	$ 105,249.27	$ 640,698.08	$659,919.08
24	2/1/2022	$ 108,333.76	$ 2,649.29	$ 105,684.47	$ 535,013.61	$551,064.08
25	5/1/2022	$ 108,333.76	$ 2,212.28	$ 106,121.48	$ 428,892.13	$441,758.97
26	8/1/2022	$ 108,333.76	$ 1,773.47	$ 106,560.29	$ 322,331.84	$332,001.87
27	11/1/2022	$ 108,333.76	$ 1,332.84	$ 107,000.92	$ 215,330.92	$221,790.93
28	2/1/2023	$ 108,333.76	$ 890.39	$ 107,443.37	$ 107,887.55	$111,124.27
29	5/1/2023	$ 108,333.64	$ 446.09	$ 107,887.55	$ 0.00	$0.00
	TOTAL	$3,043,064.62	$184,305.62	$2,858,759.00		

CITY OF SAN ANTONIO, TEXAS
(Borrower)

By: _____

Title: _____

JPMORGAN CHASE BANK, N.A.
(Lender)

By: _____

Title: Authorized Officer

CHASE

PREPAYMENT SCHEDULE ADDENDUM
(12-Month Lockout Period)

Dated: **FEBRUARY 17, 2016**

Loan Schedule No: **1000141127**

Borrower: **CITY OF SAN ANTONIO, TEXAS**

Reference is made to the above Loan Schedule ("Schedule") and to the Public Property Finance Contract ("Public Property Finance Contract") identified in the Schedule, which are by and between **JPMORGAN CHASE BANK, N.A.** ("Lender") and the above borrower ("Borrower"). As used herein: "Loan" shall mean the Schedule and the Public Property Finance Contract, but only to the extent that the Public Property Finance Contract relates to the Schedule. This Schedule Addendum amends and supplements the terms and conditions of the Loan. Unless otherwise defined herein, capitalized terms defined in the Loan shall have the same meaning when used herein. **Solely for purposes of the Schedule, Lender and Borrower agree as follows:**

1. Notwithstanding anything to the contrary herein or the Loan, Borrower and Lender agree that Borrower shall not exercise its prepayment or early purchase rights under the Loan or this Addendum prior to the end of the Lock-Out Period specified below.

Lock-Out Period: the first 12 months of the Lease Term of the Schedule

2. Notwithstanding anything to the contrary in the Loan, Borrower and Lender agree that so long as no Event of Default has occurred and continues under the Loan **and** so long as Borrower gives Lender at least 20 days prior written notice (the "Notice Period") **and** so long as the above Lock-Out Period has expired, Borrower may elect to prepay its obligations under the Schedule by paying to Lender on the Loan Payment due date (a "Prepayment Date") following the Notice Period the total of the following (the "Prepayment Amount"): (a) all accrued Loan Payments, interest, taxes, late charges and other amounts then due and payable under the Loan; plus (b) the remaining principal balance payable by Borrower under the Schedule as of said Prepayment Date.

3. The parties acknowledge that the Termination Value column of the Payment Schedule to the Schedule is included solely for purposes of the calculations required by Section 13.3 of the Public Property Finance Contract (casualty loss of Equipment), Section 14.1 of the Public Property Finance Contract (required amount of casualty loss insurance) and Subsection 20(c) of the Public Property Finance Contract (post-default remedies of Lessor) and said Termination Value column does not negate the restrictions on purchase options or voluntary prepayment in paragraphs 1 and 2 of this Addendum.

4. The prepayment or early purchase option rights granted herein shall control in the event of any conflict between the provisions of this Addendum and the Public Property Finance Contract as it relates to the Schedule. Except as expressly amended or supplemented by this Addendum and other instruments signed by Lender and Borrower, the Loan remains unchanged and in full force and effect.

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

CITY OF SAN ANTONIO, TEXAS	**JPMORGAN CHASE BANK, N.A.**
(Borrower)	(Lender)
By: _____	By: _____
Title: _____	Title: Authorized Officer

AIRCRAFT SECURITY AGREEMENT

Dated As Of FEBRUARY 17, 2016

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

Owner: **CITY OF SAN ANTONIO, TEXAS**

Owner's Mailing Address: 111 SOLEDAD STREET, SAN ANTONIO, TEXAS 78205

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

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

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

Financing Contract: Collectively, that certain the Loan Schedule No. 1000141127, the Public Property Finance Contract dated as of FEBRUARY 17, 2016 (to the extent that it relates to said Loan Schedule) and any Escrow Agreement related to said Loan Schedule together with all exhibits, schedules, addenda, riders and attachments thereto, and all amendments, extensions, renewals and modifications thereof.

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

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

INTERNATIONAL REGISTRY; OR (e) EXECUTE OR DELIVER ANY IRREVOCABLE DE-REGISTRATION AND EXPORT REQUEST AUTHORIZATION TO ANY PARTY OTHER THAN BANK.

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

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

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

[Signature Page Follows.]

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

Owner:

CITY OF SAN ANTONIO, TEXAS

By: _____

Print Name: _____

Title: _____

Bank:

JPMORGAN CHASE BANK, N.A.

By: _____

Print Name: _____

Title: _____

SCHEDULE A-1

AIRCRAFT PROPERTY DESCRIBED

U.S. Registration No.: _____

Manufacturer:	Airbus Helicopters
Model:	EC120B
Serial #:	1688
ACFT TT:	11.0
Engine Manufacturer:	Turbomeca
Engine Model:	Arrius 2F
Engine Serial #:	34783
Engine TT:	11.0
Rotor Assy Mfg:	Airbus Helicopters SAS
Main Gear Box S/N:	M883
Main Rotor Blade P/N:	C621A1006103
Main Rotor Blade S/N's:	3056 3097 3121
Tail Rotor Assembly P/N:	C642A0101052
Tail Rotor Assembly S/N:	M830
Equipped blade S/N's:	M3867 M3872 M5002 M5003 M5012 M5036 M5039 M5042
Tail Rotor Gear Box S/N:	M1888
Customer:	Airbus Helicopters Inc.

Each engine has 550 or more rated takeoff horsepower or the equivalent of such horsepower. Each propeller has the capability to absorb 550 or more rated takeoff horsepower.

CERTIFICATE OF CITY CLERK
OF
CITY OF SAN ANTONIO, TEXAS

Lease Schedule No: **1000141127 ("Lease"**

Lessee: **CITY OF SAN ANTONIO, TEXAS**

THE UNDERSIGNED HEREBY CERTIFIES that:

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

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

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

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

AUTHORIZING THE PUBLIC PROPERTY FINANCE CONTRACT AND AN ESCROW AND ACCOUNT CONTROL AGREEMENT FOR THE ACQUISTION OF A HELICOPTER FOR THE POLICE DEPARTMENT; AUTHORIZING SCHEDULE A TO THE PUBLIC PROPERTY FINANCE CONTRACT IN THE TOTAL AMOUNT OF $2,858,759.00, AUTHORIZING THE EXECUTION OF DOCUMENTS RELATED

TO THE TRANSACTION; ENACTING OTHER PROVISIONS INCIDENT AND RELATED TO THE SUBJECT AND PURPOSE OF THIS ORDINANCE; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE.

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

_____ voted "For" _____ voted Against" _____ abstained

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

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

4. The transactions contemplated by the Lease have been duly authorized by the Council pursuant to the attached Ordinance.

5. The Ordinance remains in full force and effect on the date of this Certificate and has not been modified or rescinded.

6. The following are the name, title and specimen signature of the representative of Lessee who is duly authorized to execute and deliver the Lease and any related documents, and he has been duly appointed to hold and currently holds the position of Lessee which is set forth opposite his name:

Troy Elliott	Finance Director	_____
Name	Title	Signature

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

_____
City Clerk, City of San Antonio, Texas

(SEAL)

CHASE

FORM OF OPINION OF COUNSEL
(To Be Typed on Attorney's Letterhead Stationery)

Date: **FEBRUARY 17, 2016**

Lessee: **CITY OF SAN ANTONIO, TEXAS**

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

Re: Lease Schedule No. **1000141127** dated **February 17, 2016** together with its Public Property Finance Contract dated as of **February 17, 2016** by and between the above-named Borrower and the above-named Lender **JPMorgan Chase Bank, N.A.** include Escrow Agmt / Escrow Acct info

Sir/Madam:

I have acted as counsel to Borrower with respect to the Loan Schedule and its Addenda, the Public Property Finance Contract and its Addenda, and all other agreements described above or related thereto (collectively, the "Agreements") and various related matters, and in this capacity have reviewed a duplicate original or certified copy of the Agreements and such other documents as I have deemed necessary for the purposes of this opinion.

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

1. Borrower is a political subdivision of the State of TX (the "State") duly organized, existing and operating under the Constitution and laws of the State.

2. Borrower is authorized and has power under State law to enter into all of the Agreements, and to carry out its obligations thereunder and the transactions contemplated thereby.

3. The Agreements and all other documents related thereto have been duly authorized, approved and executed by and on behalf of Borrower, and each of the Agreements is a valid and binding contract of Lessee enforceable in accordance with its terms, except to the extent limited by State and Federal laws affecting creditor's remedies and by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights.

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

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

6. Borrower is a political subdivision of the State as referred to in Section 103 of the Internal Revenue Code of 1986, as amended, and the related regulations and rulings thereunder.

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

Very truly yours,

Attorney

CHASE

PROCEEDS DISBURSEMENT AUTHORIZATION

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

Date: _____, 20__

Re: Disbursements Of Proceeds Under The PUBLIC PROPERTY FINANCE CONTRACT Referred To Below

Reference is made to that certain Public Property Finance Contract dated February 17, 2016 between **CITY OF SAN ANTONIO**, ("Borrower") and **JPMORGAN CHASE BANK, N.A.** (the "Lender")

I hereby instruct you and authorize you to disburse $2,858,759.00 to the account number(s) as specified below:

Payee #1

Wire:

Name of Bank:	FROST BANK
ABA No.:	_____
Account Number:	_____
Account Name:	CITY OF SAN ANTONIO, TEXAS
Amount:	$2,858,759.00
Re:	HELICOPTER TRANSACTION

By signing below, Borrower authorizes Lender to issue checks or direct fund transfers to the payees, in the amounts, and per the instructions (if applicable) set forth above. Borrower also acknowledges that it may be responsible for paying other fees directly to third parties, such as Lender's counsel, and making other disbursements in connection with the loan transaction per the terms of the loan documents. Borrower may rely and act on the instructions set forth herein and shall not be responsible for the use or application of the funds, and Borrower shall indemnify, defend and hold harmless Lender from and against any and all losses, costs, expenses, fees, claims, damages, liabilities, and causes of action in any way relating to or arising from acting in accordance therewith. In the event of any conflict with any other instruction set forth herein, the ABA # and Account # shall control.

IN WITNESS WHEREOF, the Borrower has caused this Proceeds Disbursement Authorization to be executed as of the day and year first above written.

CITY OF SAN ANTONIO, TEXAS
(Borrower)

By: _____

Title: _____

ESCROW AND ACCOUNT CONTROL AGREEMENT

THIS ESCROW AND ACCOUNT CONTROL AGREEMENT (*"Escrow Agreement"*) is made as of February 17, 2016 by and among JP Morgan Chase Bank, N.A., a national banking association (*"Lender"*), City of San Antonio, Texas, a political subdivision of the State of Texas (*"Borrower"*), and Frost Bank, San Antonio, Texas, a state banking association organized under the laws of the State of Texas, as escrow agent (*"Escrow Agent"*).

Lender and Borrower have heretofore entered into that certain Public Property Finance Contract (Non-Appropriation) dated as of February 17, 2016 (the *"Agreement"*) and Schedule A-1 also dated as of February 17, 2016 (the *"Schedule"* and, together with the terms and conditions of the Agreement incorporated therein, the *"Loan"*). The Loan 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 Borrower, the Borrower will grant a security interest in the Equipment to Lender pursuant to the terms of the Loan.

The Loan further contemplates that Lender will deposit an amount equal to the anticipated aggregate acquisition cost of the Equipment and Borrower's costs of issuance (the *"Purchase Price"*), being $2,858,759.00, 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, 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 Borrower), and to the reimbursement of Borrower for its costs of issuance. Lender and Borrower acknowledge to Escrow Agent that the Loan does not contain any provision that expands the liabilities or duties of the Escrow Agent beyond those set forth in this instrument, or as otherwise required by law.

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

NOW, THEREFORE, the parties agree as follows:

1. (a) There is hereby created a special escrow account to be known as the "City of San Antonio Tax-Exempt Personal Property Finance Contract (Non-Appropriation) for Police Helicopter Account (2016)" (the "SAPD 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 SAPD Equipment Acquisition Account are irrevocably held in escrow for the benefit of Borrower and Lender, and such moneys, together with any income or interest earned thereon, shall be expended only as provided in this Escrow Agreement, and Lender and Borrower 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 Borrower or Lender, Borrower and Escrow Agent intend that the SAPD Equipment Acquisition Account constitute an escrow account in which Borrower 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 Borrower 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 Lender shall have a security interest in the SAPD Equipment Acquisition Account, and such security interest is hereby granted by Borrower to secure payment of all sums due to Lender under the Loan. For such purpose, Escrow Agent hereby agrees to act as agent for Lender 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 SAPD Equipment Acquisition Account, the Lender's interest therein.

2. On such day as is determined to the mutual satisfaction of the parties (the "*Closing Date*"), Lender 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 Lender, and further agrees to hold the amount so deposited together with all interest and other cash additions received with respect thereto, as the SAPD Equipment Acquisition Account hereunder, in escrow on the express terms and conditions set forth herein.

3. Escrow Agent shall at all times segregate the SAPD 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 SAPD Equipment Acquisition Account from time to time shall be held or registered in the name of "City of San Antonio Tax-Exempt Equipment Loan for Police Helicopter Account (2016)". The SAPD 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 Lender).

4. In order to perfect Lender's security interest by means of control in (i) the SAPD Equipment Acquisition Account established hereunder, (ii) all securities entitlements, investment property and other financial assets now or hereafter credited to the SAPD Equipment Acquisition Account, (iii) all of Borrower's rights in respect of the SAPD 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"), Lender, Borrower 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 Lender with respect to the Collateral, or any portion of the Collateral, without further consent by Borrower.

(c) Escrow Agent hereby represents and warrants (a) that the records of Escrow Agent show that Borrower 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 Lender'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 Lender under this Escrow Agreement and entitlement orders that Escrow Agent, subject to the provisions of paragraph (e) below, is obligated to accept from Borrower.

(d) Without the prior written consent of Lender, Escrow Agent will not enter into any agreement by which Escrow Agent agrees to comply with any entitlement order of any person other than Lender or, subject to the provisions of paragraph (e) below, Borrower, with respect to any portion or all of the Collateral. Escrow Agent shall promptly notify Lender 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 Borrower to effect sales, trades, transfers and exchanges of Collateral within the SAPD Equipment Acquisition Account, but will not, without the prior written consent of Lender, allow Borrower to withdraw any Collateral from the SAPD Equipment Acquisition Account. Escrow Agent acknowledges that Lender reserves the right, by delivery of written notice to Escrow Agent, to prohibit Borrower from effecting any withdrawals (including withdrawals of ordinary cash dividends and interest income), sales, trades, transfers or exchanges of any Collateral held in the SAPD Equipment Acquisition Account. Further, Escrow Agent hereby agrees to comply with any and all written instructions delivered by Lender 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 Lender, the amount of any obligations of Borrower to Lender, the validity of any of Lender's claims against or agreements with Borrower, the existence of any defaults under such agreements, or any other matter.

(f) Borrower hereby irrevocably authorizes Escrow Agent to comply with all instructions and entitlement orders delivered by Lender 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 Borrower hereby agree that any property held in the SAPD 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 Lender at its address set forth on the execution page hereof, concurrently with the sending thereof to Borrower, duplicate copies of any and all monthly SAPD Equipment Acquisition Account statements or reports issued or sent to Borrower with respect to the SAPD Equipment Acquisition Account.

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

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

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

(a) From time to time, Escrow Agent shall disburse funds from the SAPD 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 Borrower and Lender who is also an authorized signer on the SAPD Equipment Acquisition Account. The form of the Requisition Request and Certificate of Acceptance is set forth in Exhibit I hereto.

(b) If an Event of Default or Non-appropriation Event occurs under the Loan prior to the Borrower's acceptance of all the Equipment, or to the extent that funds have not been disbursed from the SAPD Equipment Acquisition Account within the thirty-six (36) month period identified in the Loan, Escrow Agent shall, upon receipt of written notice from Lender, disburse by wire transfer to Lender in accordance with Lender's wiring instructions all funds then on deposit in the SAPD Equipment Acquisition Account, and all such funds shall be applied by Lender to the prepayment of Loan Payments under the Loan.

(c) Upon receipt by Escrow Agent of written notice from Lender that the purchase price of the Equipment has been paid in full, Escrow Agent shall disburse to

Lender by wire transfer in accordance with Lender's wiring instructions all funds (if any) then remaining in the SAPD Equipment Acquisition Account, to be applied by Lender : (a) toward the principal and interest portion of the Rent Payment next coming due under the Loan; or (b) to reimburse the Borrower for the interest portion of their Rental Payments previously made within the past 18 months; or (c) toward a partial prepayment of the principal amount remaining due under the Loan and thereupon Lender shall prepare and deliver to Borrower a revised Payment Schedule reflecting such partial prepayment of principal.

8. Borrower 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 Loan, or in connection with any dispute between Lender and Borrower concerning the Escrow Account. The Escrow Agent has advised Lender and Borrower that (except as set forth below) it will not charge any fees or costs for providing its services hereunder to Borrower. Escrow Agent waives any claim against Lender with respect to compensation hereunder.

9. Escrow Agent shall have no liability for acting upon any written instruction presented by Lender 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 SAPD Equipment Acquisition Account as a result of the investments made by Escrow Agent.

10. Lender, Borrower, and Escrow Agent acknowledge that Escrow Agent presently serves as Borrower'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 Loan, Escrow Agent ceases to be Borrower's depository financial institution, Escrow Agent shall deliver its written resignation as Escrow Agent to Borrower and Lender 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 Borrower's depository financial institution, and shall be delivered to Borrower and Lender not later than thirty (30) days prior thereto. Borrower's new depository financial institution shall be substituted as the Escrow Agent under this Agreement and the Loan ("Substitute Escrow Agent"), effective on the first day on which it is Borrower'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 Loan 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 Loan, but shall remain responsible (but only if and to the extent provided in this Agreement) to Lender and Borrower 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 Lender specified in Section 7(b) or Section 7(c) hereof or upon disbursement of all funds or mutual agreement of Lender and Borrower.

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

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

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

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

If to Lender:
JP Morgan Chase Bank, N.A.
1111 Polaris Pkwy, Suite 3A
Columbus, OH 43240
Attention: Operation Manager
Phone: (800) 678-2601

If to Borrower:
City of San Antonio, Texas
Finance Department
111 Soledad, 5th Floor
San Antonio, TX 78205
Attn: Division of Financial Management
Phone: (210) 207-8637
Fax: (210) 207-7774

If to Escrow Agent: Frost Bank
P.O. Box 1600
San Antonio, 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 under this Escrow Agreement may be assigned without the prior written consent of Lender.

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

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

JP Morgan Chase Bank, N.A., as Lender

By:_____
Name:
Title:

City of San Antonio, Texas, as Borrower

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

Frost Bank, as Escrow Agent

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

EXHIBIT 1

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

-or-

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

The Escrow Agent is hereby requested to pay from the Equipment Acquisition Account established and maintained under that certain Escrow Agreement dated as of February 17, 2016 (the *"Escrow Agreement"*) by and among JP Morgan Chase Bank, N.A. (the *"Lender"*), City of San Antonio, Texas (the *"Borrower"*), 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 Borrower) with respect to Equipment being leased under that certain Public Property Finance Contract dated as of February 17, 2016 (the "Public Property Finance Contract") and Schedule A-1 dated February 17, 2016 (collectively, the *"Schedule"* and, together with the terms and conditions of the Public Property Finance Contract incorporated therein, the *"Loan"*), by and between the Lender and the Borrower, and has not formed the basis of any prior requisition request.

PAYEE'S FUNDING INSTRUCTIONS	INVOICE NUMBER	AMOUNT	PURPOSE

Total requisition amount $_____

The undersigned, as Borrower under the Loan hereby certifies:

1. The items of the Equipment, as such term is defined in the Loan, 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 Borrower only for the purpose of performing one or more governmental functions of Borrower consistent with the permissible scope of Borrower's authority.

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

4. The Borrower 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 Loan.

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

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

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

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

(a) Original Invoice(s);

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

(c) Requisition for Payment.

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

If Borrower paid an invoice prior to the commencement date of the Loan and is requesting reimbursement for such payment, also attach a copy of evidence of such payment and other evidence that Borrower 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 Borrower

By: _____
Name: _____
Title: _____

Date: _____

JP Morgan Chase Bank, N.A.,
as Lender

By: _____
Title: _____
Date: _____

CHASE

ESCROW FUNDING SCHEDULE ADDENDUM

Dated as of: **FEBRUARY 17, 2016**

Loan Schedule No.: **1000141127**

Borrower: **CITY OF SAN ANTONIO, TEXAS**

Escrow Agent: **THE FROST NATIONAL BANK**

Escrow Agreement dated as of: **FEBRUARY 17, 2016**

Amount To Be Deposited Into Escrow: $2,858,759.00 ("Lender's Deposit")

Reference is made to the above Loan Schedule ("Schedule") to the Public Property Finance Contract identified in the Schedule ("Public Property Finance Contract") by and between **JPMORGAN CHASE BANK, N.A.** ("Lender") and the above Borrower ("Borrower"). As used herein, "Finance Contract" shall mean the Schedule and the Public Property Finance Contract, but only to the extent that the Public Property Finance Contract relates to the Schedule. This Addendum amends and modifies the terms and conditions of the Finance Contract and is hereby made a part of the Finance Contract. Unless otherwise defined herein, capitalized terms defined in the Public Property Finance Contract shall have the same meaning when used herein.

NOW, THEREFORE, as part of the valuable consideration to induce the execution of the Finance Contract, Lender and Borrower hereby agree to amend the Finance Contract as follows:

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

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

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

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

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

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

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

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

9. Except as expressly amended by this Addendum and other modifications signed by Lender, the Finance Contract remains unchanged and in full force and effect.

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

CITY OF SAN ANTONIO, TEXAS (Borrower)	**JPMORGAN CHASE BANK, N.A.** (Lender)
By: _____	By: _____
Title: _____	Title: Authorized Officer

CHASE

INSTRUCTIONS FOR SUBMITTING ESCROW DISBURSEMENT REQUESTS

Thank you for choosing **JPMORGAN CHASE BANK, N.A.** to meet your equipment financing needs. To ensure that you receive the quality service you expect from JPMorgan Chase Bank, N.A., we ask that you refer to the following instructions when submitting escrow disbursement requests in the future:

- All Escrow Disbursement Requests should be sent to us at the following email address:

  cefi.escrow.disbursement.request@jpmchase.com

  or to

  JPMorgan Chase Bank, N.A.
  Attn: Escrow Specialist
  1111 Polaris Parkway, Suite A-3
  Mail Code OH1-1085
  Columbus, OH 43240

- Our Escrow Specialists are prepared to answer your questions regarding anticipated or previous disbursement requests and can be reached at 1-800-678-2601.

- **A complete disbursement request should include the following information to ensure prompt processing:**

  1. Completed and signed Receipt Certificate/Payment Request Form. PLEASE NOTE: Escrow Disbursement Requests must bear the original signature by an individual who has been authorized to execute the lease documentation. If you have questions regarding who can sign escrow disbursements, please contact an Escrow Specialist.

  2. Vendor Invoice for the equipment being purchased. (Proof of Payment will also be required if we are reimbursing you)

  3. Insurance will be required on all delivered equipment at the time the disbursements are being processed.

  4. When the Equipment is Motor Vehicles, one of the following must be provided with items 1, 2 and 3 above: (A) the original, or a copy, of the Vehicle Title showing JPMorgan Chase Bank, N.A. as first lienholder or (B) if the original title has not yet been received, a copy (front and back) of the Manufacturer's Statement of Origin (MSO) or Title Application showing JPMorgan Chase Bank, N.A. as lienholder.

- Please clearly indicate on the vendor's invoice whether you wish to pay the vendor by check or by wire transfer. If a wire transfer is requested, please provide wire instructions for each vendor. Wire instructions must include the bank name, ABA routing number, account number and the payee contact name and phone number.