

AN ORDINANCE 2018-02-15-0113

AUTHORIZING THE TAX-EXEMPT MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT AND THE LEASE SCHEDULES WITH SIGNATURE PUBLIC FUNDING CORP. AND AN ESCROW AND ACCOUNT CONTROL AGREEMENT WITH SIGNATURE PUBLIC FUNDING CORP. AND FROST BANK FOR THE ACQUISITION OF 1 AMBULANCE AND 1,178 SETS OF BUNKER GEAR FOR THE FIRE DEPARTMENT; AND 9 AUTOMATED SIDE LOADERS FOR THE SOLID WASTE MANAGEMENT DEPARTMENT; AUTHORIZING THE LEASE SCHEDULE TO THE MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT IN THE TOTAL AMOUNT OF \$5,430,086.78, 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 equipment lease/purchase financing provider was issued by the City on December 18, 2017; and

WHEREAS, nine (9) 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 has recommended that the City, as “Lessee”, enter into a Tax-Exempt Master Lease-Purchase Agreement (the “Lease”) with Signature Public Funding Corp. as “Lessor” (attached hereto as **Exhibit A**) and an Escrow and Account Control Agreement (the “Escrow Agreement”) with the Lessor, the Lessee, and Frost Bank, San Antonio, Texas as “Escrow Agent” (attached hereto as **Exhibit B**), 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 21, 2018, (a) one (1) Ambulance and one thousand one hundred seventy-eight (1,178) sets of Bunker Gear for the

Fire Department and (b) nine (9) Automated Side Loaders for the Solid Waste Management Department, for the total amount of \$5,430,086.78, as disclosed in the Lease Schedule to the Lease (the "Lease Schedule") attached hereto as **Exhibit C** and incorporated by reference for all purposes; and

WHEREAS, all of the items specified above are sometimes hereafter collectively referred to as the "Equipment"; and

WHEREAS, Lessor shall act as lessor under the Lease and the Lease Schedule; and

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

WHEREAS, the Council hereby finds and determines that the adoption of this Ordinance and authorization for the execution and delivery of 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 Signature Public Funding Corp. as the low bid and selects and approves Signature Public Funding Corp. as the finance provider of the Lease which provides for the financing of \$5,430,086.78 for the acquisition of the Equipment for the Fire Department and the Solid Waste Management Department at an interest rate of 2.34% for a thirty-six (36) month term for the Ambulance and a sixty (60) month term for the Bunker Gear and the Automated Side Loaders to pay the costs of the transaction. The terms and conditions of the Lease by and between the City and Signature Public Funding Corp., a true and correct copy of which is attached hereto as **Exhibit A**, are hereby approved. The City Manager, the City Manager's designee, and/or the City's Chief Financial Officer or his designee, and/or the Deputy Chief Financial Officer or his designee, acting on behalf of the City, are each hereby authorized to execute and enter into the Lease in substantially the form set forth in **Exhibit A** hereto.

SECTION 2. The City hereby selects and approves Frost Bank, San Antonio, Texas, as the escrow agent pursuant to the Escrow Agreement. The terms and conditions of the Escrow Agreement, 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 Deputy Chief Financial Officer or his designee, acting on behalf of the City, are each hereby authorized to execute and enter into the Escrow Agreement in substantially the form set forth in **Exhibit B** hereto.

SECTION 3. The Lease Schedule, as attached hereto as **Exhibit C**, is hereby approved and is incorporated by reference into this Ordinance for all purposes.

SECTION 4. The City Manager, the City Manager's designee, and/or the City's Chief Financial Officer or his designee, and/or the Deputy Chief Financial Officer or his designee, acting on behalf of the City, are hereby authorized to negotiate, execute and enter into the Lease Schedule, which document is available for public inspection at the Office of the City Clerk. The Mayor, City Manager, Chief Financial Officer, Deputy 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 Lease Schedule as the Authorized Officer deems necessary and appropriate as specified in the Lease Schedule, without further action by this Council. All other related contracts, certificates, and agreements necessary and incidental to the Lease Schedule are hereby authorized, with the exception of adding future Schedules to the Lease, other than the Lease as authorized by this Ordinance. Future Lease Schedules to the Lease shall require approval by Council.

SECTION 5. The aggregate original principal amount for the Equipment shall not exceed the amount set forth in the Lease Schedule and shall bear interest as set forth in the Lease and the Lease Schedule and shall contain such options to purchase and/or prepay by the City as set forth therein.

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

SECTION 7. The Chief Financial Officer and/or the Deputy Chief Financial Officer are authorized to record and account for the Lease and the Lease Schedule in accordance with generally accepted accounting principles 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,

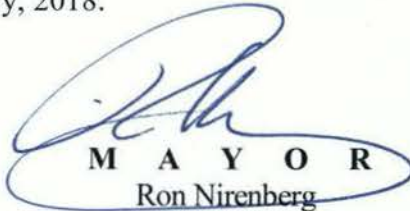
and the Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 12. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer 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 13. 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, Texas Government Code.

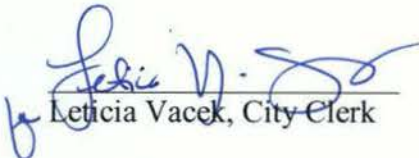
SECTION 14. This Ordinance is effective immediately, upon passage by eight (8) affirmative votes; otherwise, said effective date shall be ten (10) days from the date of passage hereof.

PASSED AND ADOPTED by an affirmative vote of 9 members of the City Council of the City of San Antonio, Texas, this the 15th day of February, 2018.




M A Y O R
Ron Nirenberg

ATTEST:



Leticia Vacek, City Clerk

I the undersigned, the 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.



Andrew Segovia, City Attorney
City of San Antonio, Texas

**CERTIFICATE OF CITY CLERK
OF
CITY OF SAN ANTONIO, TEXAS**

THE UNDERSIGNED HEREBY CERTIFIES that:

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

2. On the 15th day of February, 2018 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:

Ron Nirenberg	Mayor
Greg Brockhouse	Mayor Pro Tem, District 6
Roberto C. Trevino	Councilmember, District 1
William "Cruz" Shaw	Councilmember, District 2
Rebecca J. Viagran	Councilmember, District 3
Rey Saldana	Councilmember, District 4
Shirley Gonzales	Councilmember, District 5
Ana E. Sandoval	Councilmember, District 7
Manny Pelaez	Councilmember, District 8
John Courage	Councilmember, District 9
Clayton H. Perry	Councilmember, District 10

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

AUTHORIZING THE PUBLIC PROPERTY FINANCE CONTRACT (NON-APPROPRIATION) AND SCHEDULE A-1 WITH JPMORGAN CHASE BANK, N.A. AND AN ESCROW AND ACCOUNT CONTROL AGREEMENT WITH JPMORGAN CHASE BANK, N.A. AND FROST BANK FOR THE ACQUISITION OF 1 PLATFORM TRUCK AND 1 ENGINE AND 53 DIRECT CAPTURE FILTRATION SYSTEMS FOR THE FIRE DEPARTMENT; AND 4 BRUSH TRACTORS AND 4 BRUSH TRAILERS FOR THE SOLID WASTE MANAGEMENT DEPARTMENT; AUTHORIZING SCHEDULE A-1 TO THE LEASE TO THE PUBLIC PROPERTY FINANCE CONTRACT (NON-APPROPRIATION) IN THE TOTAL AMOUNT OF \$5,014,671.56, 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 COURAGE that the Ordinance be finally passed and adopted in accordance with the City's Home Rule Charter. The motion was seconded by Councilmember SHAW and carried by the following vote:

9 voted "For" 0 voted Against" 0 abstained

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

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

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the City, this 19th day of February, 2018.



City Clerk, City of San Antonio, Texas



Agenda Item:	22B (in consent vote: 5, 6, 7, 8, 9, 10, 11, 12A, 12B, 12C, 12D, 12E, 13A, 13B, 13C, 13D, 14, 15, 16, 17, 19, 21B, 22A, 22B, 22C, 23A, 23B, 23C, 23D, 23E, 23F, 23G, 23H)						
Date:	02/15/2018						
Time:	09:16:43 AM						
Vote Type:	Motion to Approve						
Description:	Ordinance approving the Master Tax-Exempt Lease Purchase Agreement for Solid Waste and Fire Equipment with Signature Public Funding Corporation and an Escrow and Account Control Agreement with Signature Public Funding Corporation and Frost Bank; and approving Exhibits and related Schedules to the Master Tax-Exempt Lease Purchase Agreement in the amount of \$5,430,086.78 for the acquisition of automated side loaders for the Solid Waste Department and an ambulance and bunker gear for the Fire Department.						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ron Nirenberg	Mayor		x				
Roberto C. Treviño	District 1		x				
William Cruz Shaw	District 2		x				x
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5	x					
Greg Brockhouse	District 6		x				
Ana E. Sandoval	District 7	x					
Manny Pelaez	District 8		x				
John Courage	District 9		x			x	
Clayton H. Perry	District 10		x				

EXHIBIT A

INDEX TO LEGAL DOCUMENTS
NON-BANK-QUALIFIED, APPROPRIATION-BASED
TAX-EXEMPT EQUIPMENT LEASE-PURCHASE AGREEMENT
DATED FEBRUARY 21, 2018 BY AND BETWEEN
SIGNATURE PUBLIC FUNDING CORP.
And
THE CITY OF SAN ANTONIO

Lease Documents:

- | | |
|---------|--|
| Tab 1: | Tax Exempt Equipment Lease-Purchase Agreement; |
| Tab 2: | Exhibit A-1 - Equipment Schedule 001;
Exhibit A-2 - Equipment Schedule 002;
Exhibit A-3 - Equipment Schedule 003 |
| Tab 3: | Exhibit B – Form of Acceptance Certificate; |
| Tab 4: | Exhibit C-1 - Insurance Coverage Request; |
| Tab 5: | Exhibit C-2 - Self-Insurance Rider (if applicable);
Exhibit C-3 - Questionnaire for Self Insurance (If applicable); |
| Tab 6: | Exhibit D - Essential Use Certificate; |
| Tab 7: | Exhibit E - Incumbency Certificate; |
| Tab 8: | Exhibit F - Opinion of Lessee’s Counsel; |
| Tab 9: | Exhibit G - Tax Certificate; |
| Tab 11: | Exhibit H - Escrow and Account Control Agreement; |
| Tab 12: | Exhibit I: - Ordinance of Lessee dated February 15, 2018; |
| Tab 13: | UCC-1 - Financing Statement with attached Schedule A; |
| Tab 14: | Form 8038-G; |
| Tab 15: | Closing Memorandum/Payment Proceeds Direction; and |



**SIGNATURE
PUBLIC FUNDING**

SIGNATURE PUBLIC FUNDING CORP.

TAX EXEMPT EQUIPMENT LEASE-PURCHASE AGREEMENT NO. _____

This TAX EXEMPT EQUIPMENT LEASE-PURCHASE AGREEMENT (the "Agreement"), dated as of February 21, 2018 is made and entered into by and between SIGNATURE PUBLIC FUNDING CORP., a New York corporation, as lessor (the "Lessor"), and the CITY OF SAN ANTONIO, a body corporate and politic of the State of Texas, which is a political subdivision as defined under the Code, as lessee ("Lessee").

In consideration of the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I. DEFINITIONS AND EXHIBITS

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

"Acceptance Certificate" means each Acceptance Certificate delivered by Lessee as part of an Equipment Schedule by which Lessee (a) certifies the delivery and/or installation of such Equipment, (b) accepts such Equipment for purposes of its related Lease, and authorizes Lessor to disburse funds to purchase such Equipment.

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

"Agreement Date" means the date first written above.

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

"Default Rate" means the lesser of 12% per annum, or the maximum rated permitted by law.

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

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

"Equipment Schedule" means each sequentially numbered schedule executed by Lessor and Lessee with respect to Equipment Group, which (for purposes of this Agreement) shall be Equipment Schedule 001, 002 and 003.

"Escrow Account" means the equipment acquisition account, if any, established by Lessor and Lessee with the Escrow Agent pursuant to the Escrow Agreement.

"Escrow Agent" means the escrow agent and, if applicable, any successor escrow agent identified under the Escrow Agreement for any applicable Lease hereunder.

"Escrow Agreement" means the Escrow Account and Control Agreement, substantially in the form of Exhibit I hereto, or another mutually agreeable form of escrow agreement to be executed by Lessor, Lessee and the Escrow Agent on or before the first funding of an Equipment Schedule using the procedure described in Section 2.4.

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

"Fiscal Year" means each 12-month fiscal period of Lessee.

"Funding Date" means, with respect to each Lease, the date Lessor deposits funds equal to such purchase price of an Equipment Group into the Escrow Account.

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

"Lease" means, with respect to each Equipment Group, this Agreement and the Equipment Schedule relating thereto, which together shall constitute a separate contract between Lessor and Lessee relating to such Equipment Group. For avoidance of doubt, there are three (3) leases under this Agreement for Equipment Schedule 001, 002 and 003, each of which shall respectively be a separate instrument of lease.

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

"Lease Payment" means each payment due from Lessee to Lessor on a Payment Date listed on each Payment Schedule set forth on an Equipment Schedule.

"Lease Term" means, with respect to each Equipment Group, the period during which the related Lease is in effect as specified in each applicable Equipment Schedule, subject to the terms and conditions set forth in Section 3.1 of this Agreement.

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

"Non-Appropriation" means the failure of Lessee to appropriate money for any Fiscal Year sufficient for the continued payment and/or performance by Lessee of all of Lessee's obligations under this Agreement, as evidenced by the passage of an ordinance or resolution prohibiting Lessee from performing its obligations under this Agreement with respect to any Equipment and/or budget, and from using properly appropriated and/or legally available funds to pay any Lease Payments due under this Agreement during any Fiscal Year.

"Payment Date" means each date upon which a Lease Payment (but excluding reimbursements and other amounts due to Lessor hereunder) is due and payable as provided in each Payment Schedule set forth in each respective Equipment Schedule.

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

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

"Prepayment Price" means the amount so designated and set forth opposite a Payment Date in a Payment Schedule indicating the amount for which Lessee may pay-off any Lease (and purchase the related Equipment Group free and clear or any rights, title or interest of Lessor therein) as of such Payment Date after making the Lease Payment due on such Payment Date.

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

"State" means the state of Texas.

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

For avoidance of doubt, Exhibits A through I are fully incorporated by reference into this Agreement and each Lease hereunder.

ARTICLE II. LEASE OF EQUIPMENT

Section 2.1. Acquisition of Equipment. Lessee has provided Lessor with a description of the equipment proposed to be subject to each Lease hereunder, including the cost and vendor of such equipment, the expected delivery date and the desired lease terms for such equipment, and such other information as the Lessor may require. Lessor, in its sole discretion, has determined the proposed equipment with such particulars as the Lessee has provided to date may be subject to a Lease hereunder, and Lessor is furnishing to Lessee proposed Equipment Schedules 001, 002 and 003 each relating to a respective Equipment Group for execution by Lessee and then Lessor. By execution hereof, Lessor has made no future commitment to lease any equipment to Lessee.

Section 2.2. Disbursement. Lessor shall have no obligation to pay the lease proceeds and acquisition cost related to each Equipment Group to the Escrow Agent until after Lessor has received all of the following in form and substance satisfactory to Lessor: (a) a completed Equipment Schedule executed by Lessee; (b) an ordinance or other official action taken by or on behalf of the Lessee to authorize the acquisition of the Equipment Group on the terms provided in such Equipment Schedule; (c) a Tax Agreement and Arbitrage Certificate in the form of Exhibit G (as applicable) attached hereto; (d) as applicable, evidence of insurance with respect to the Equipment Group in compliance with Article VII of this Agreement; (e) a completed and executed Form 8038-G or 8038-GC, as applicable, or evidence of filing thereof with the Secretary of Treasury; (f) an opinion of counsel to the Lessee substantially in the form of Exhibit F hereto, and (g) any other documents or items reasonably required by Lessor.

Lessor shall have no obligation to, because the escrow procedure described in Section 2.4 hereof is utilized, consent to a disbursement by the Escrow Agent until after Lessor has received all of the documents set forth in the foregoing paragraph together with the following in form and substance satisfactory to Lessor: (a) if not previously provided, evidence of insurance with respect to the Equipment Group in compliance with Article VII of this Agreement; (b) Vendor invoice(s) and/or bill(s) of sale relating to the Equipment Group, and if such invoices have been paid by Lessee, evidence of payment thereof and evidence of official intent to reimburse such payment as required by the Code; (c) information necessary to complete any financing statements naming Lessee as debtor and/or the original certificate of

title or manufacturer's certificate of origin and title application, if applicable, listing Lessor as the secured party and first position lienholder for any Equipment which is part of such Equipment Group and is subject to certificate of title laws; and (d) any other documents or items reasonably required by Lessor

Section 2.3. Lease; Possession and Use. Lessor hereby leases the Equipment to Lessee, and Lessee hereby leases the Equipment from Lessor, upon the terms and conditions set forth herein. Lessee shall have quiet use and enjoyment of and peaceably have and hold each Equipment Group during the related Lease Term, except as expressly set forth in this Agreement.

Section 2.4. Escrow Procedure. The cost of each Equipment Group hereunder is to be paid from an Escrow Account: (a) Lessor and Lessee shall execute an Escrow Agreement substantially in the form of Exhibit I or such other form as may be mutually agreeable by the parties thereto; (b) Lessor and Lessee shall execute an Equipment Schedule relating to such Equipment Group; and (c) Lessor shall deposit an amount equal to the cost of the Equipment Group into the Escrow Account. All amounts deposited by Lessor into the Escrow Account shall constitute a loan from Lessor to Lessee secured by proceeds in such Escrow Account and, when such funds are used to acquire the Equipment, shall be repaid by the Lease Payments due under the related Lease.

ARTICLE III. TERM

Section 3.1. Term. This Agreement shall be in effect from the Agreement Date until the earliest of (a) termination under Section 3.2 or (b) termination under Section 12.2. Each Lease with respect to an Equipment Group shall be in effect for a Lease Term commencing upon the Lease Date and ending as provided in Section 3.4.

Section 3.2. Termination by Lessee. In the sole event of Non-Appropriation, this Agreement and each Lease hereunder shall terminate, in whole, but not in part, as to all Equipment effective upon the last day of the Fiscal Year for which funds were appropriated, in the manner and subject to the terms specified in this Article. Lessee may affect such termination by giving Lessor a written notice of termination and by paying to Lessor any Lease Payments and other amounts which are due and have not been paid at or before the end of its then current Fiscal Year. Lessee shall endeavor to give notice of such termination not less than ten (10) calendar days prior to the end of the Fiscal Year for which appropriations were made, and shall notify Lessor of any anticipated termination. In the event of termination of this Agreement as provided in this Section, Lessee shall comply with the instructions received from Lessor in accordance with Section 12.3. Lessor agrees that it shall not deliberately cause an event of Non-Appropriation so as to permit Lessee to terminate this Agreement or any Lease hereunder solely for the purpose of acquiring any other equipment or obtain funds directly or indirectly to perform essentially the same application for the Equipment is intended.

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

Section 3.4. Termination of Lease Term. The Lease Term with respect to any Lease will terminate upon the occurrence of the first of the following events: (a) the termination of this Agreement by Lessee in accordance with Section 3.2; (b) the payment of the Prepayment Price by Lessee pursuant to Article V; (c) an Event of Default by Lessee and Lessor's election to terminate such Lease pursuant to Article XII; or (d) the payment by Lessee of all Lease Payments and all other amounts authorized or required to be paid by Lessee pursuant to such Lease.

ARTICLE IV. LEASE PAYMENTS

Section 4.1. Lease Payments. The Lessee agrees to pay the Lease Payments due as specified in the Payment Schedule set forth on each respective Equipment Schedule hereto, Schedules 001, 002 and 003 of which are attached hereto respectively as Exhibits A-1, A-2, and A-3. A portion of each Lease Payment is paid as interest as specified in the Payment Schedule of each lease, and the first Lease Payment will include Interest accruing from the Funding Date. Lessor is authorized to insert the due date of the first Lease Payment in the Payment Schedule. All Lease Payments shall be paid to Lessor, or to such assignee(s) Lessor has assigned as stipulated in Article XI, at such places as Lessor or such assignee(s) may from time to time designate by written notice to Lessee. Lessee shall pay the Lease Payments with lawful money of the United States of America from moneys legally available therefor.

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

Section 4.3. Unconditional Lease Payments. Excluding Lessee's right to Non-Appropriate funds and terminate each Lease hereunder as provided in Section 3.2, Lessee's obligation to make Lease Payments shall be absolute and unconditional. Also, any other payments required hereunder shall be absolute and unconditional. Lessee shall make these payments when due and shall not withhold any of these payments pending final resolution of any disputes. The Lessee shall not assert any right of set-off or counterclaim against its obligation to make these payments. Lessee's obligation to make Lease Payments or other payments shall not be abated through accident, unforeseen circumstances, failure of the Equipment to perform as desired, damage or destruction to the Equipment, loss of possession of the Equipment or obsolescence of the Equipment. The Lessee shall be obligated to continue to make payments required of it by this Agreement if title to, or temporary use of, the Equipment or any part thereof shall be taken under exercise of the power of eminent domain.

ARTICLE V. OPTION TO PREPAY

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

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

Section 5.3. Release of Lessor's Interest. Upon receipt of the Prepayment Price in good funds with respect to any Equipment Group, the Lease with respect to such Equipment Group shall terminate and Lessee shall become entitled to such Equipment Group AS IS, WHERE IS, WITHOUT WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE, except that such Equipment Group shall not be subject to any lien or encumbrance created by or arising through Lessor. Following reasonable prior request by the Lessee, Lessor shall deliver to Lessee such deeds, terminations, bills of sale or other reasonably requested documents and instrument at Lessee's sole cost and expense as may be reasonably commercially necessary to transfer all right, title and interest of Lessor in such Equipment to Lessee free and clear of all liens and encumbrances arising, directly and indirectly, by through or under the Lessor.

ARTICLE VI. REPRESENTATIONS, WARRANTIES AND COVENANTS

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

- (a) Lessee is a state or political subdivision of the State within the meaning of Section 103(c) of the Code, duly organized and existing under the Constitution and laws of the State, and is authorized under the Constitution and laws of the State to enter into this Agreement, each Lease and the transactions contemplated hereby and thereby, and to perform all of its obligations under this Agreement and each Lease.
- (b) The execution and delivery of this Agreement and each Lease have been duly authorized by all necessary action of Lessee's City Council or other appropriate official approval and such action is in compliance with all public bidding and other State and federal laws applicable to this Agreement, each Lease and the acquisition and financing of the Equipment by Lessee.
- (c) This Agreement and each Lease have been duly executed and delivered by and constitutes the valid and binding obligation of Lessee, enforceable against Lessee in accordance with their respective terms.
- (d) The execution, delivery and performance of this Agreement and each Lease by Lessee shall not (i) violate any State or federal law or local law or ordinance (including, without limitation, any public bidding, open meeting, notice, and procurement requirements), or any order, writ, injunction, decree, or regulation of any court or other governmental agency or body applicable to Lessee, or (ii) conflict with or result in the breach or violation of any term or provision of, or constitute a default under, any note, bond, mortgage, indenture, agreement, deed of trust, lease or other obligation to which Lessee is bound.
- (e) There is no action, suit, proceeding, claim, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body pending or, to the best of Lessee's knowledge, threatened against or affecting Lessee, challenging Lessee's authority to enter into this Agreement or any Lease or any other action wherein an unfavorable ruling or finding would adversely affect the enforceability of this Agreement or any Lease.
- (f) Lessee will furnish Lessor (i) within 180 days after the end of each Fiscal Year of Lessee, a copy of its audited financial statements for such Fiscal Year, which audited financial statements shall include a balance sheet, a

statement of revenues, expenses and changes in fund balances for budget and actual, a statement of cash flows, notes, schedules and any attachments to the financial statements; (ii) promptly after Lessor's written request, but no later than 10 days after such information is available at the end of each Fiscal Year (commencing with the current Fiscal Year), a copy of Lessee's current budget or other proof of appropriation for the ensuing Fiscal Year; (iii) promptly after Lessor's written request, a copy of any interim updates or modifications to Lessee's adopted budget and such other information relating to Lessee's ability to continue the Lease Term of each Lease for such Fiscal Year as may be reasonably requested by Lessor; and (iv) promptly, but not later than 30 days after such information is available, after Lessor's written request, such other financial statements and information as Lessor may reasonably request. The financial statements described in clause (f)(i) shall be accompanied by an unqualified opinion of Lessee's auditor. Credit information relating to Lessee may be disseminated among Lessor and any of its affiliates and any of their respective successors and assigns. For avoidance of doubt, publication of any of the foregoing information in a readily available online or electronic format (which can be accessed at no cost or expense to the Lessor) shall satisfy the reporting requirements set forth in this Section 6.1(f) of the Agreement.

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

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

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

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

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

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

(d) The person or entity in charge of preparing Lessee's budget will include in the budget request for each Fiscal Year the Lease Payments to become due during such Fiscal Year, and will use reasonable and lawful means available to request the appropriation of money for such Fiscal Year sufficient to pay all Lease Payments coming due therein. Lessor acknowledges that appropriation for Lease Payments is a governmental function which Lessee cannot contractually commit itself in advance to perform. Lessee acknowledges that this Agreement does not constitute such a commitment.

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

(f) Upon Lessor's request, Lessee shall provide Lessor with current financial statements, budgets, and proof of appropriation for the ensuing Fiscal Year and such other financial information relating to the ability of Lessee to continue this Agreement and each Lease as may be reasonably requested by Lessor.

(g) Lessee shall promptly and duly execute and deliver to Lessor such further documents, instruments and assurances and take such further action as Lessor may from time to time reasonably request in order to carry out the intent and purpose of this Agreement and to establish and protect the rights and remedies created or intended to be created in favor of Lessor hereunder.

Section 6.3. Tax Related Representations, Warranties and Covenants.

(a) *Incorporation of Federal Tax Certificate.* With respect to each Lease, Lessee makes each of the representations, warranties and covenants contained in the Federal Tax Certificate delivered with respect to each Lease hereunder. By this reference such Federal Tax Certificate is incorporated in and made a part of this Agreement.

(b) *Event of Taxability.* If within thirty (30) calendar days following receipt by Lessor receives a final, non-appealable order of the Internal Revenue Service, a court or other government body/tribunal of competent jurisdiction holding that Lessor may not exclude, for any reason, any Interest (or portion thereof) paid under any Lease from its Federal gross income and/or should any State financial institutions tax or Federal income tax change materially affect

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

ARTICLE VII. INSURANCE AND RISK OF LOSS

Section 7.1. Liability and Property Insurance. Lessee shall, at its own expense, procure and maintain continuously in effect during each Lease Term: (a) public liability insurance for death or injuries to persons, or damage to property arising out of or in any way connected to the Equipment sufficient to protect Lessor and/or assigns from liability in all events, with a coverage of not less than \$1,000,000 per occurrence and either \$3,000,000 aggregate for non-titled Equipment or \$5,000,000/ aggregate for titled Equipment unless specified differently in the related Equipment Schedule, and (b) insurance against such hazards as Lessor may require, including, but not limited to, all-risk casualty and property insurance, in an amount equal to the greater of the full replacement cost of the Equipment or the applicable Prepayment Price of each Equipment Group.

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

Section 7.3. Insurance Requirements.

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

(b) *Self Insurance.* As of the date of this Agreement and the Leases hereunder, Lessee is permitted to self-insure third party liability claims by means of an adequate insurance fund set aside and maintained for that purpose which are more fully set forth below and fully described in a letter delivered to Lessor in connection with Exhibits C-2 and C-3 hereto. Lessee is also permitted to maintain a \$100,000 per occurrence deductible with respect to the property coverage maintained in fulfillment with Section 7.1 above.

In lieu of the liability coverage requirements set forth above, the Lessee is permitted to maintain third party liability coverage through its Defined Self-Insurance and Risk Management Program. Said program provides liability coverage for actions of the Lessee's employees or involving the Lessee's Equipment pursuant to City Ordinance 83926 (the "Ordinance"). The Ordinance authorizes the Lessee to pay claims which are brought against it or its employees under the Texas Tort Claims Act, as amended, § 101.001 et seq., of the Texas Civil Practices and Remedies Code; Section 150 of the City Charter; the Federal Civil Rights Act, § 42 U.S.C., 1983; and other applicable statutes. The Defined Self-Insurance Fund was created by City Council for the sole purpose of providing defense of and payment of claims against the City and its officers, employees, members of boards and commissions when and while acting in the ordinary course of their duties, powers and functions (respectively, "Employee"). Pursuant to the Texas Tort Claims Act, §101.23, the maximum limits of liability for claims against a City Employee is \$250,000 per claimant and \$500,000 per occurrence.

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

(d) *Reserved.*

Section 7.4. Risk of Loss. To the extent permitted by applicable laws of the State, as between Lessor and Lessee, Lessee assumes all risks and liabilities from any cause whatsoever, whether or not covered by insurance relating to any Lease hereunder, for loss or damage to any Equipment and for injury to or death of any person or damage to any property. Whether or not covered by insurance, Lessee hereby assumes responsibility for and agrees to release Lessor from all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses, including reasonable attorneys' fees, imposed on, incurred by or asserted against Lessor that relate to or arise out of this Agreement, including but not limited to, (a) the selection, manufacture, purchase, acceptance or rejection of Equipment or the ownership of the Equipment, (b)

the delivery, lease, possession, maintenance, use, condition, return or operation of the Equipment, (c) the condition of the Equipment sold or otherwise disposed of after possession by Lessee, (d) the conduct of Lessee, its officers, employees and agents, (e) a breach of Lessee of any of its covenants or obligations hereunder, (f) any claim, loss, cost or expense involving alleged damage to the environment relating to the Equipment, including, but not limited to investigation, removal, cleanup and remedial costs, and (g) any strict liability under the laws or judicial decisions of any state or the United States. This provision shall survive the termination of this Agreement. Nothing in this Section 7.4 shall be deemed to obligate Lessee to spend any monies with regards to the matters set forth herein that are not properly appropriated, designated for such purposes (e.g. insurance proceeds, warranty payments, self-insurance, reserve or sinking funds, etc.) and/or otherwise legally available. Nothing herein shall be deemed to (a) create an unconstitutional or illegal obligation on the part of the Lessee and (b) be a waiver of any constitutional or statutory waivers, rights, immunities, or privileges. Any provision or requirement of the Agreement which is determined or to be illegal, invalid, or unconstitutional shall be stricken solely to the extent of such invalidity with the remainder of the provisions of the Agreement to be in full force and effect.

Section 7.5. Destruction of Equipment. Lessee shall provide a complete written report to Lessor immediately upon any loss, theft, damage or destruction of any Equipment and of any accident involving any Equipment. Lessor may inspect the Equipment at any time and from time to time during regular business hours. If all or any part of the Equipment is stolen, lost, destroyed or damaged beyond repair or taken by an exercise of eminent domain ("Damaged Equipment"), Lessee shall within ninety (90) days after such event either: (a) replace the same at Lessee's sole expense with equipment having substantially similar Specifications and of equal or greater value to the Damaged Equipment immediately prior to the time of the loss occurrence, such replacement equipment to be subject to Lessor's approval, whereupon such replacement equipment shall be substituted in the applicable Lease and the other related documents by appropriate endorsement or amendment; or (b) pay the applicable Prepayment Price of the Damaged Equipment determined as set forth in the related Equipment Schedule. Lessee shall notify Lessor of which course of action it will take within fifteen (15) days after the loss occurrence. If, within one hundred and twenty (120) days of the loss occurrence, (a) Lessee fails to notify Lessor; (b) Lessee and Lessor fail to execute an amendment to the applicable Equipment Schedule to delete the Damaged Equipment and add the replacement equipment or (c) Lessee has failed to pay the applicable Prepayment Price, then Lessor may, at its sole discretion, declare the applicable Prepayment Price of the Damaged Equipment, to be immediately due and payable from the Net Proceeds and any other legally available or proper appropriated funds. The Net Proceeds of insurance with respect to the Damaged Equipment shall be made available by Lessor to be applied to discharge Lessee's obligation under this Section. So long as no default, Event of Default or event of Non-Appropriation has occurred and is continuing and so long as Lessee is current in all payment and performance obligations under this Agreement and any Lease hereunder, any remaining amounts shall be paid to Lessee.

ARTICLE VIII. OTHER OBLIGATIONS OF LESSEE

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

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

Section 8.3. Advances. If Lessee shall fail to perform any of its obligations under this Article, Lessor may take such action to cure such failure, including the advancement of money, and Lessee shall be obligated to repay all such advances on demand, with interest at the Default Rate from the date of the advance to the date of repayment.

ARTICLE IX. TITLE

Section 9.1. Title. Except as may be modified on any Schedule hereto or solely if and to the extent as required by any laws of the State, during the Lease Term, ownership and legal title of all Equipment and all replacements, substitutions, repairs and modification shall be in Lessee and Lessee shall take all action necessary to vest such ownership and title in Lessee. Lessor does not own the Equipment and by this Agreement and each Lease is merely financing the acquisition of

such equipment for Lessee. Lessor has not been in the chain of title of the Equipment, does not operate, control or have possession of the Equipment and has no control over the Lessee or the Lessee's operation, use, storage or maintenance of the Equipment.

Section 9.2. Security Interest. Lessee hereby grants to Lessor a continuing, first priority security interest in and to the Equipment, all repairs, replacements, substitutions and modifications thereto and all proceeds thereof (including without limitation any Net Proceeds, warranty payments and guaranteed energy or other savings payments) and in the Escrow Account (if any) in order to secure Lessee's payment of all Lease Payments and the performance of all other obligations. Lessee hereby authorizes Lessor to prepare and file such financing statements and other such documents to establish and maintain Lessor's valid first priority lien and perfected security interest. Lessee will join with Lessor in executing such documents and will perform such acts as Lessor may reasonably request to establish and maintain Lessor's valid first priority lien and perfected security interest. Upon termination of a Lease through exercise of Lessee's option to prepay pursuant to Article V or through payment by Lessee of all Lease Payments and other amounts due with respect to an Equipment Group, Lessor's security interest in such Equipment Group shall terminate, and Lessor shall execute and deliver to Lessee such documents as Lessee may reasonably request (at the sole cost and expense of Lessee) to evidence the termination of Lessor's security interest in such Equipment Group.

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

Section 9.4. Personal Property. Except as permitted by Lessor in writing in connection to any Equipment Schedules, the Equipment is and shall at all times be and remain personal property and not fixtures.

ARTICLE X. WARRANTIES

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

Section 10.2. Vendor's Warranties. Lessor hereby assigns to Lessee for and during the related Lease Term, all of its interest, if any, in all Vendor's warranties, guarantees and patent indemnity protection, express or implied issued on or applicable to an Equipment Group, and Lessee may obtain the customary services furnished in connection with such warranties and guarantees at Lessee's expense. Lessor has no obligation to enforce any Vendor's warranties or obligations on behalf of itself or Lessee.

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

ARTICLE XI. ASSIGNMENT AND SUBLEASING

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

Section 11.2. Assignment and Subleasing by Lessee. Neither this Agreement nor any Lease or any Equipment may be assigned, subleased, sold, transferred, pledged or mortgaged by Lessee.

ARTICLE XII. EVENTS OF DEFAULT AND REMEDIES

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

(a) Lessee's failure to pay, within ten (10) days following the due date thereof, any Lease Payment or other amount

required to be paid to Lessor (other than by reason of Non-Appropriation).

- (b) Lessee's failure to maintain insurance as required by Article VII.
- (c) With the exception of the above clauses (a) & (b), Lessee's failure to perform or abide by any condition, agreement or covenant for a period of thirty (30) days after written notice by Lessor to Lessee specifying such failure and requesting that it be remedied, unless Lessor shall agree in writing to an extension of time prior to its expiration.
- (d) Lessor's determination that any representation or warranty made by Lessee in this Agreement was untrue in any material respect upon execution of this Agreement or any Equipment Schedule.
- (e) The occurrence of an Event of Taxability and Lessee's failure to comply with the provisions of Section 6.3(b).
- (f) The filing of a petition in bankruptcy by or against Lessee, or failure by Lessee promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of Lessee to carry on its governmental functions or assignment by Lessee for the benefit of creditors, or the entry by Lessee into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of any adjustment of indebtedness of Lessee, or the dissolution or liquidation of Lessee.

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

- (a) Lessor, with or without terminating this Agreement or any Lease, may declare all Lease Payments immediately due and payable by Lessee, whereupon such Lease Payments shall be immediately due and payable, together with interest at the Default Rate, but solely from properly appropriated, legally available, or other funds designated for such purposes (e.g. insurance proceeds, warranty payments, self-insurance, reserve or sinking funds, etc.).
- (b) Lessor, with or without terminating this Agreement or any Lease, may repossess any or all of the Equipment by giving Lessee written notice to deliver such Equipment in the manner provided in Section 12.3; or in the event Lessee fails to do so within ten (10) days after receipt of such notice, Lessor may enter upon Lessee's premises where such Equipment is kept and take possession of such Equipment and charge Lessee for all actual and reasonable accrued costs incurred, including reasonable attorneys' fees. Lessee hereby expressly waives any damages occasioned by such repossession except those resulting from Lessor's gross negligence or willful misconduct. If the Equipment or any portion has been destroyed, Lessee shall pay the applicable Prepayment Price of the destroyed Equipment as set forth in the related Payment Schedule, but solely from properly appropriated, legally available, or other funds designated for such purposes (e.g. insurance proceeds, warranty payments, self-insurance, reserve or sinking funds, etc.). Regardless of the fact that Lessor has taken possession of the Equipment, Lessee shall continue to be responsible for the Lease Payments due during the Fiscal Year.
- (c) If Lessor terminates this Agreement and/or any Lease and, in its discretion, takes possession and disposes of any or all of the Equipment, Lessor shall apply the proceeds of any such disposition to pay the following items in the following order: (i) all costs (including, but not limited to, attorneys' fees) incurred in securing possession of the Equipment; (ii) all expenses incurred in completing the disposition; (iii) any sales or transfer taxes; (iv) the applicable Prepayment Prices of the Equipment Groups; (v) the balance of any Lease Payments owed by Lessee during the Fiscal Year then in effect; and (vi) interest on any of the foregoing at the Default Rate. Any disposition proceeds remaining after the requirements of Clauses (i), (ii), (iii), (iv), (v) and (vi) have been met shall be paid to Lessee.
- (d) Lessor may take any other remedy available, at law or in equity, with respect to such Event of Default, including those sounding in mandamus, specific performance/enforcement, or otherwise requiring Lessee to perform any of its obligations or to pay any moneys due and payable to Lessor, and Lessee shall pay the actual reasonable attorneys' fees and other costs and expenses incurred by Lessor in enforcing any remedy permitted and exercise hereunder together with interest at the Default Rate.
- (e) Each of the foregoing remedies is cumulative and may be enforced separately or concurrently. All monetary damages and/or payment remedies set forth in this Article XII, shall be payable solely from properly appropriated, legally available, or other funds designated for such purposes (e.g. insurance proceeds, warranty payments, self-insurance, reserve or sinking funds, etc.). In no event shall the rights and remedies herein constitute a debt, illegal or unconstitutional undertaking of the Lessee or its governing body.

Section 12.3. Return of Equipment: Release of Lessee's Interest. Upon termination of any Lease prior to the payment of all related Lease Payments or the applicable Prepayment Price (whether as result of Non-Appropriation or Event of Default), Lessee shall, within ten (10) days after such termination, at its own expense: (a) perform any testing and repairs required to place the related Equipment in the condition required by Article VIII; (b) if deinstallation, disassembly or crating is required, cause such Equipment to be deinstalled, disassembled and crated by an authorized manufacturer's representative or such other service person as is satisfactory to Lessor; and (c) return such Equipment to a location specified by Lessor, freight and insurance prepaid by Lessee; provided, however, that such return radius shall not exceed a three hundred (300) mile radius of the City of San Antonio, Texas unless the parties reasonably agree or specify to the contrary. If Lessee refuses to return such Equipment in the manner designated, Lessor may repossess the Equipment without demand or notice and without court order or legal process and charge Lessee the costs of such repossession.

Upon termination of this Agreement in accordance with Article III or Article XII hereof, at the election of Lessor and upon Lessor's written notice to Lessee, full and unencumbered legal title and ownership of the Equipment shall pass to Lessor. Lessee shall have no further interest therein. Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of legal title and ownership to Lessor and termination of Lessee's interest in the Equipment.

Section 12.4. Late Charge. Lessor shall have the right to require late payment charge for each Lease Payment or any other amount due hereunder which is not paid within 10 days of the date when due equal to the lesser of 5% of each late payment or the legal maximum. For any Lease Payment and other amount not paid within 30 days of the due date, Lessor shall have the right to resume interest thereof at the Default Rate which shall accrue from the due date. This Section is only applicable to the extent it does not affect the validity of this Agreement.

ARTICLE XIII. MISCELLANEOUS PROVISIONS

Section 13.1. Notices. All written notices to be given under this Agreement shall be given by mail to the party entitled thereto at its address specified beneath each party's signature, or at such address as the party may provide to the other parties hereto in writing from time to time. Any such notice shall be provided via United States mail in registered or certified form, with postage fully prepaid, or, given by overnight mail/courier or via e-mail, when delivered at the address specified in this Section 13.1.

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

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

Section 13.4. Entire Agreement; Amendments. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous writings, understandings, agreements, solicitation documents and representations, express or implied. This Agreement may be amended or modified only by written documents duly authorized, executed and delivered by Lessor and Lessee.

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

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

Section 13.7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

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

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

Section 13.10. Not Bank Qualified. Lessor acknowledges and recognizes that Lessee will issue more than \$10,000,000.00 in tax-exempt debt in 2018. Accordingly, the Agreement and each Lease hereunder will not be designated as a "qualified tax-exempt obligation" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended.

13.11. No Texas Attorney General Approval. The Agreement and each Lease hereunder is exempt from review by the Texas Attorney General pursuant to the provisions of Section 1202.007, as amended, Texas Government Code.

13.12. Boycott Israel. Texas Government Code §2270.002 provides that a governmental entity may not enter into a contract with a company for goods or services, unless the contract contains a written verification from the company that it:

- (1) does not boycott Israel; and
- (2) will not boycott Israel during the term of the contract.

"Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

"Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit. Lessor hereby acknowledges that it falls within the definition of "Company" as set forth above and that each Lease constitutes a contract for purposes of this Section 13.12.

Lessor hereby verifies that it does not boycott Israel, and will not boycott Israel during the term of each Lease hereunder. Lessee hereby relies on Lessor's verification. If found to be false, Lessee may terminate this Agreement and Lease hereunder for material breach.

13.13. Business with Iran, Sudan, or Foreign Terrorist Organization. Texas Government Code §2252.152 provides that a governmental entity may not enter into a governmental contract with a company that is identified on a list prepared and maintained under Texas Government Code §§ 806.051, 807.051, or 2252.153. Lessor hereby verifies that it does not currently have a contract with or provide supplies or services to Iran, Sudan, or a foreign terrorist organization; and will not during the term of any Lease hereunder with Lessee enter into a contract with or provide supplies or services to Iran, Sudan, or a foreign terrorist organization. Lessee hereby relies on Lessor's verification. If found to be false, Lessee may terminate this Agreement and each Lease hereunder for material breach.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

EXECUTION PAGE OF MASTER LEASE AGREEMENT

LEASE NUMBER _____

IN WITNESS WHEREOF, Lessor has caused this Agreement to be executed in its corporate name by its duly authorized officer, and Lessee has caused this Agreement to be executed in its name by its duly authorized officer to be effective as of February 21, 2018.

THECITY OF SAN ANTONIO,
Lessee

SIGNATURE PUBLIC FUNDING CORP.
Lessor

By: _____
Name: Troy Elliott
Title: Deputy Chief Financial Officer
Date: _____

By: _____
Name: Donald S. Keough
Title: Senior Managing Director
Date: _____

Address: 111 Soledad Street, 5th Floor
San Antonio, TX 78205

Address: 600 Washington Avenue, Suite 305
Towson, MD 21204

Telephone: 210-207-8637
Facsimile: 210-207-7774
E-mail: troy.elliott@sanantonio.gov

Telephone: 410-704-0027
Facsimile: 646-927-4005
E-mail: dkeough@signatureny.com

Invoices:

Mail please [20] days prior to: 111 Soledad Street, 5th Fl, San Antonio, TX 78205

E-mail please [20] days prior to: Cappi.Arriola@sanantonio.gov

Address:

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. You acknowledge and agree to cooperate with any information that may be requested by us in order to comply with the United States Patriot Act, OFAC and/or BSA regulations. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

Counterpart No. _____ of two manually executed and serially numbered counterparts. To the extent that this Master Agreement constitutes chattel paper (as defined in the applicable Uniform Commercial Code), no security or ownership interest herein may be created through the transfer or possession of any Counterpart other than Counterpart No. 1.

EXHIBIT A-1: AMBULANCE LEASE SCHEDULE

EQUIPMENT SCHEDULE 001 DATED FEBRUARY 21, 2018

This Equipment Schedule 001 dated as of February 21, 2018 ("Equipment Schedule") is made to and part of that certain Tax Exempt Equipment Lease-Purchase Agreement dated as of February 21, 2018 (the "Agreement," and together with the Equipment Schedule, the "Lease"), and the terms, conditions and provisions of the Agreement (other than to the extent that they relate solely to other Schedules or Equipment listed on other Schedules or if they are expressly superseded in this Equipment Schedule) are hereby incorporated into this Equipment Schedule by reference and made a part hereof. This Lease is a separate and individual instrument of lease.

1. DESCRIPTION OF THE EQUIPMENT:

Equipment shall consist of those units or items of equipment as set forth below and/or as may be accepted by the Lessee and financed hereunder, together with all embedded software, replacements, additions, attachments, substitutions, modifications, upgrades, and improvements thereto (collectively the "Equipment") pursuant to that "Vendor Contract" (as described below) between each respective "Vendor" and Lessee, which is and financed by this Lease.

<u>Quantity</u>	<u>Equipment Description (with VIN and MSN)</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Vendor Name and Contract/Invoice</u>	<u>Location</u>
1	Ambulance (particulars to be determined)	\$292,368.86	\$292,368.86	TBD	TBD
	Closing Costs		\$631.18	TBD	TBD
	TOTAL LEASE PROCEEDS:		\$293,000.04		

2. EQUIPMENT LOCATION: Because the Lease Proceeds are being deposited into an Escrow Account as of the Commencement Date, specific locations and items of Equipment will be as more fully set forth on each Disbursement Request Form and Acceptance Certificate provided in connection herewith and approved by Lessor.

3. PAYMENT SCHEDULE: The Lease Payments shall be made for the Equipment as follows:

<u>PAYMENT NUMBER</u>	<u>DATE DUE</u>	<u>TOTAL LEASE PAYMENT DUE</u>	<u>INTEREST COMPONENT</u>	<u>PRINCIPAL COMPONENT</u>	<u>PREPAYMENT PRICE*</u>
0	02/21/2018				293,000.04
1	05/01/2018	1,333.15	1,333.15	-	293,000.04
2	08/01/2018	25,355.04	1,714.05	23,640.99	269,359.05
3	11/01/2018	25,355.04	1,575.74	23,779.30	245,579.75
4	02/01/2019	25,355.04	1,436.64	23,918.40	221,661.35
5	05/01/2019	25,355.04	1,296.72	24,058.32	197,603.03
6	08/01/2019	25,355.04	1,155.98	24,199.06	173,403.97
7	11/01/2019	25,355.04	1,014.41	24,340.63	149,063.34
8	02/01/2020	25,355.04	872.02	24,483.02	124,580.32
9	05/01/2020	25,355.04	728.79	24,626.25	99,954.07
10	08/01/2020	25,355.04	584.73	24,770.31	75,183.76
11	11/01/2020	25,355.04	439.83	24,915.21	50,268.55
12	02/01/2021	25,355.04	294.07	25,060.97	25,207.58
13	05/01/2021	25,355.04	147.46	25,207.58	0.00
GRAND TOTALS		305,593.63	12,593.59	293,000.04	

* Assumes that all Lease Payments and other amounts due on and prior to that date have been paid.

4. INTEREST RATE: 2.340 %

5. COMMENCEMENT DATE: February 21, 2018. Interest, if any, accruing from the Commencement Date to the actual date of funding shall be retained by Lessor as additional consideration for entering into this Equipment Schedule.

6. **SCHEDULED LEASE TERM:** 38 months.
7. **FISCAL YEAR:** Lessee's current Fiscal Year extends from October 1, 2017 through September 30, 2018.
8. Lessee hereby represents, warrants, and covenants that (i) its representations, warranties, and covenants set forth in the Tax Exempt Equipment Lease-Purchase Agreement (particularly Paragraph 7 thereof) are true and correct as though made on the date of execution of this Equipment Schedule, and (ii) sufficient funds have been appropriated by Lessee for the payment of all Lease Payments due under this Lease during Lessee's current Fiscal Year. Funds for making Lease Payments are expected to come from the General Fund of the Lessee.
9. **ESSENTIAL USE:** The Equipment is essential for the functioning of the Lessee and is immediately needed by the Lessee, and such need is neither temporary, nor expected to diminish during the Lease Term. The Equipment is expected to be used by the Lessee for a period in excess of the Lease Term.

[Signature Pages to Follow.]

**IN WITNESS WHEREOF, LESSOR AND LESSEE HAVE EXECUTED THIS EQUIPMENT SCHEDULE
001 AS OF THE DAY AND YEAR FIRST WRITTEN ABOVE**

CITY OF SAN ANTONIO, TX,
as Lessee

SIGNATURE PUBLIC FUNDING CORP.,
as Lessor

By: _____
Name: Troy Elliott
Title: Deputy Chief Financial Officer

By: _____
Name: Donald S. Keough
Title: Senior Managing Director

Counterpart No. ____ of two manually executed and serially numbered counterparts. To the extent that this Equipment Schedule constitutes chattel paper (as defined in the applicable Uniform Commercial Code), no security or ownership interest herein may be created through the transfer or possession of any Counterpart other than Counterpart No. 1.

EXHIBIT A-2: AUTOMATED SIDELOADER REFUSE TRUCKS LEASE SCHEDULE

EQUIPMENT SCHEDULE 002 DATED FEBRUARY 21, 2018

This Equipment Schedule 002 dated as of February 21, 2018 ("Equipment Schedule") is made to and part of that certain Tax Exempt Equipment Lease-Purchase Agreement dated as of February 21, 2018 (the "Agreement," and together with the Equipment Schedule, the "Lease"), and the terms, conditions and provisions of the Agreement (other than to the extent that they relate solely to other Schedules or Equipment listed on other Schedules or if they are expressly superseded in this Equipment Schedule) are hereby incorporated into this Equipment Schedule by reference and made a part hereof. This Lease is a separate and individual instrument of lease.

1. DESCRIPTION OF THE EQUIPMENT:

Equipment shall consist of those units or items of Refuse Collection Trucks (Automated Side Loaders) as set forth below and/or as may be accepted by the Lessee and financed hereunder, together with all embedded software, replacements, additions, attachments, substitutions, modifications, upgrades, and improvements thereto (collectively the "Equipment") pursuant to that "Vendor Contract" (as described below) between each respective "Vendor" and Lessee, which is and financed by this Lease.

<u>Quantity</u>	<u>Equipment Description (with VIN and MSN)</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Vendor Name and Contract/Invoice</u>	<u>Location</u>
9	2019 Peterbilt 520 Cab & Chassis with 28 Cubic Yard Heil Durapack Python ASL (VIN TBD)	\$ 317,155.00	\$ 2,856,051	Rush Truck Centers/Invoice or Contract # TBD	TBD
	CLOSING COSTS:		\$ 6,165.76	N/A	N/A
	TOTAL LEASE PROCEEDS:		\$ 2,862,216.76		

2. **EQUIPMENT LOCATION:** Because the Lease Proceeds are being deposited into an Escrow Account as of the Commencement Date, specific locations and items of Equipment will be as more fully set forth on each Disbursement Request Form and Acceptance Certificate provided in connection herewith and approved by Lessor.

3. **PAYMENT SCHEDULE:** The Lease Payments shall be made for the Equipment as follows:

<u>PAYMENT NUMBER</u>	<u>DATE DUE</u>	<u>TOTAL LEASE PAYMENT DUE</u>	<u>INTEREST COMPONENT</u>	<u>PRINCIPAL COMPONENT</u>	<u>PREPAYMENT PRICE*</u>
Loan	02/21/2018				2,862,216.76
1	05/01/2018	13,579.63	13,579.63	-	2,862,216.76
2	08/01/2018	152,453.57	17,459.53	134,994.04	2,727,222.72
3	11/01/2018	152,453.57	16,636.06	135,817.51	2,591,405.21
4	02/01/2019	152,453.57	15,807.58	136,645.99	2,454,759.22
5	05/01/2019	152,453.57	14,974.04	137,479.53	2,317,279.69
6	08/01/2019	152,453.57	14,135.41	138,318.16	2,178,961.53
7	11/01/2019	152,453.57	13,291.66	139,161.91	2,039,799.62
8	02/01/2020	152,453.57	12,442.79	140,010.78	1,899,788.84
9	05/01/2020	152,453.57	11,588.71	140,864.86	1,758,923.98
10	08/01/2020	152,453.57	10,729.44	141,724.13	1,617,199.85
11	11/01/2020	152,453.57	9,864.92	142,588.65	1,474,611.20
12	02/01/2021	152,453.57	8,995.13	143,458.44	1,331,152.76
13	05/01/2021	152,453.57	8,120.04	144,333.53	1,186,819.23
14	08/01/2021	152,453.57	7,239.60	145,213.97	1,041,605.26
15	11/01/2021	152,453.57	6,353.79	146,099.78	895,505.48
16	02/01/2022	152,453.57	5,462.59	146,990.98	748,514.50
17	05/01/2022	152,453.57	4,565.94	147,887.63	600,626.87
18	08/01/2022	152,453.57	3,663.82	148,789.75	451,837.12
19	11/01/2022	152,453.57	2,756.21	149,697.36	302,139.76
20	02/01/2023	152,453.57	1,843.05	150,610.52	151,529.24
21	05/01/2023	152,453.57	924.33	151,529.24	(0.00)

GRAND TOTALS	\$ 3,062,651.03	\$ 200,434.27	\$ 2,862,216.76
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* Assumes that all Lease Payments and other amounts due on and prior to that date have been paid.

4. **INTEREST RATE:** 2.440 %

5. **COMMENCEMENT DATE:** February 21, 2018. Interest, if any, accruing from the Commencement Date to the actual date of funding shall be retained by Lessor as additional consideration for entering into this Equipment Schedule.

6. **SCHEDULED LEASE TERM:** 62 months

7. **FISCAL YEAR:** Lessee's current Fiscal Year extends from October 1, 2017 through September 30, 2018.

8. Lessee hereby represents, warrants, and covenants that (i) its representations, warranties, and covenants set forth in the Tax Exempt Equipment Lease-Purchase Agreement (particularly Paragraph 7 thereof) are true and correct as though made on the date of execution of this Equipment Schedule, and (ii) sufficient funds have been appropriated by Lessee for the payment of all Lease Payments due under this Lease during Lessee's current Fiscal Year. Funds for making Lease Payments are expected to come from the General Fund of the Lessee.

9. **ESSENTIAL USE:** The Equipment is essential for the functioning of the Lessee and is immediately needed by the Lessee, and such need is neither temporary, nor expected to diminish during the Lease Term. The Equipment is expected to be used by the Lessee for a period in excess of the Lease Term.

[Signature Pages to Follow.]

**IN WITNESS WHEREOF, LESSOR AND LESSEE HAVE EXECUTED THIS EQUIPMENT SCHEDULE
002 AS OF THE DAY AND YEAR FIRST WRITTEN ABOVE**

CITY OF SAN ANTONIO, TX,
as Lessee

SIGNATURE PUBLIC FUNDING CORP.,
as Lessor

By: _____
Name: Troy Elliott
Title: Deputy Chief Financial Officer

By: _____
Name: Donald S. Keough
Title: Senior Managing Director

Counterpart No. ____ of two manually executed and serially numbered counterparts. To the extent that this Equipment Schedule constitutes chattel paper (as defined in the applicable Uniform Commercial Code), no security or ownership interest herein may be created through the transfer or possession of any Counterpart other than Counterpart No. 1.

EXHIBIT A-3: FIRE BUNKER GEAR LEASE SCHEDULE

EQUIPMENT SCHEDULE 003 DATED FEBRUARY 21, 2018

This Equipment Schedule 003 dated as of February 21, 2018 ("Equipment Schedule") is made to and part of that certain Tax Exempt Equipment Lease-Purchase Agreement dated as of February 21, 2018 (the "Agreement," and together with the Equipment Schedule, the "Lease"), and the terms, conditions and provisions of the Agreement (other than to the extent that they relate solely to other Schedules or Equipment listed on other Schedules or if they are expressly superseded in this Equipment Schedule) are hereby incorporated into this Equipment Schedule by reference and made a part hereof. This Lease is a separate and individual instrument of lease.

1. DESCRIPTION OF THE EQUIPMENT:

Equipment shall consist of those units or items of Fire Department Bunker Gear (coats, pants and Patriot Harnesses where applicable) as set forth below and/or as may be accepted by the Lessee and financed hereunder, together with all embedded software, replacements, additions, attachments, substitutions, modifications, upgrades, and improvements thereto (collectively the "Equipment") pursuant to that "Vendor Contract" (as described below) between each respective "Vendor" and Lessee, which is and financed by this Lease.

<u>Quantity</u>	<u>Equipment Description (with VIN and MSN)</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Vendor Name and Contract/Invoice</u>	<u>Location</u>
1098	Coats and Pants Bunker Gear; various manufacturers tbd	\$ 1,914.66	\$ 2,102,296.68	FireDex or TBD/Invoice or Contract # TBD	TBD
80	Coats and Pants Bunker Gear with Patriot Harnesses; various manufacturers tbd	\$ 2,095.91	\$ 167,672.80	FireDex or TBD/Invoice or Contract # TBD	TBD
	CLOSING COSTS:		\$ 4,900.50	N/A	N/A
	TOTAL LEASE PROCEEDS:		\$ 2,274,869.98		

2. **EQUIPMENT LOCATION:** Because the Lease Proceeds are being deposited into an Escrow Account as of the Commencement Date, specific locations and items of Equipment will be as more fully set forth on each Disbursement Request Form and Acceptance Certificate provided in connection herewith and approved by Lessor.

3. **PAYMENT SCHEDULE:** The Lease Payments shall be made for the Equipment as follows:

<u>PAYMENT NUMBER</u>	<u>DATE DUE</u>	<u>TOTAL LEASE PAYMENT DUE</u>	<u>INTEREST COMPONENT</u>	<u>PRINCIPAL COMPONENT</u>	<u>PREPAYMENT PRICE*</u>
Loan	02/21/2018				2,274,869.98
1	05/01/2018	10,792.99	10,792.99	-	2,274,869.98
2	08/01/2018	121,169.04	13,876.73	107,292.31	2,167,577.67
3	11/01/2018	121,169.04	13,222.23	107,946.81	2,059,630.86
4	02/01/2019	121,169.04	12,563.75	108,605.29	1,951,025.57
5	05/01/2019	121,169.04	11,901.26	109,267.78	1,841,757.79
6	08/01/2019	121,169.04	11,234.73	109,934.31	1,731,823.48
7	11/01/2019	121,169.04	10,564.13	110,604.91	1,621,218.57
8	02/01/2020	121,169.04	9,889.44	111,279.60	1,509,938.97
9	05/01/2020	121,169.04	9,210.64	111,958.40	1,397,980.57
10	08/01/2020	121,169.04	8,527.68	112,641.36	1,285,339.21
11	11/01/2020	121,169.04	7,840.58	113,328.46	1,172,010.75
12	02/01/2021	121,169.04	7,149.26	114,019.78	1,057,990.97
13	05/01/2021	121,169.04	6,453.75	114,715.29	943,275.68
14	08/01/2021	121,169.04	5,753.99	115,415.05	827,860.63
15	11/01/2021	121,169.04	5,049.95	116,119.09	711,741.54
16	02/01/2022	121,169.04	4,341.63	116,827.41	594,914.13
17	05/01/2022	121,169.04	3,628.98	117,540.06	477,374.07
18	08/01/2022	121,169.04	2,911.98	118,257.06	359,117.01
19	11/01/2022	121,169.04	2,190.61	118,978.43	240,138.58
20	02/01/2023	121,169.04	1,464.85	119,704.19	120,434.39

21	05/01/2023	121,169.04	734.65	120,434.39	0.00
GRAND TOTALS		\$ 2,434,173.79	\$ 159,303.81	\$ 2,274,869.98	

* Assumes that all Lease Payments and other amounts due on and prior to that date have been paid.

4. **INTEREST RATE:** 2.440 %
5. **COMMENCEMENT DATE:** February 21, 2018. Interest, if any, accruing from the Commencement Date to the actual date of funding shall be retained by Lessor as additional consideration for entering into this Equipment Schedule.
6. **SCHEDULED LEASE TERM:** 62 months
7. **FISCAL YEAR:** Lessee's current Fiscal Year extends from October 1, 2017 through September 30, 2018.
8. Lessee hereby represents, warrants, and covenants that (i) its representations, warranties, and covenants set forth in the Tax Exempt Equipment Lease-Purchase Agreement (particularly Paragraph 7 thereof) are true and correct as though made on the date of execution of this Equipment Schedule, and (ii) sufficient funds have been appropriated by Lessee for the payment of all Lease Payments due under this Lease during Lessee's current Fiscal Year. Funds for making Lease Payments are expected to come from the General Fund of the Lessee.
9. **ESSENTIAL USE:** The Equipment is essential for the functioning of the Lessee and is immediately needed by the Lessee, and such need is neither temporary, nor expected to diminish during the Lease Term. The Equipment is expected to be used by the Lessee for a period in excess of the Lease Term.

[Signature Pages to Follow.]

**IN WITNESS WHEREOF, LESSOR AND LESSEE HAVE EXECUTED THIS EQUIPMENT SCHEDULE
003 AS OF THE DAY AND YEAR FIRST WRITTEN ABOVE**

CITY OF SAN ANTONIO, TX,
as Lessee

SIGNATURE PUBLIC FUNDING CORP.,
as Lessor

By: _____
Name: Troy Elliott
Title: Deputy Chief Financial Officer

By: _____
Name: Donald S. Keough
Title: Senior Managing Director

Counterpart No. ____ of two manually executed and serially numbered counterparts. To the extent that this Equipment Schedule constitutes chattel paper (as defined in the applicable Uniform Commercial Code), no security or ownership interest herein may be created through the transfer or possession of any Counterpart other than Counterpart No. 1.

EXHIBIT B

ACCEPTANCE CERTIFICATE

The undersigned, as Lessee under Schedule No. _____ dated as of February 21, 2018 (the "Schedule") to that certain Tax Exempt Equipment Lease-Purchase Agreement dated as of February 21, 2018 (the "Agreement," and together with the Schedule, the "Lease"), acknowledges receipt in good condition those certain units of the Equipment described in the Lease and more specifically listed on Annex I hereto as of the Acceptance Date set forth below. Capitalized terms used herein without definition shall be given their meaning in the Lease.

1. The units of Equipment listed on Annex I hereto represent a portion of the Equipment listed on the Schedule and to be acquired under the Lease. By its execution hereto, the Lessee represents and warrants that: (1) the Equipment listed on Annex I hereto has been delivered, installed and accepted on the date hereof; and (2) it has conducted such inspection and/or testing of the Equipment listed on Annex I hereto as it deems necessary and appropriate and hereby acknowledges that it unconditionally and irrevocably accepts the Equipment listed in Annex I hereto for all purposes. Lessee confirms that it will commence or continue to make Lease Payments in accordance with the terms of the Lease. Copies of invoices, proof of payment (if applicable), and purchase orders and/or vendor contracts or agreement have been attached with Annex I hereto. As applicable, the following documents are attached hereto and made a part hereof: (a) Original Invoice(s) and (b) Copies of Certificate(s) of Ownership, MSOs, or Certificates of Title, designating Lessor as first position lienholder, and (c) any other evidence of filing or documents attached hereto

2. Lessee hereby certifies and represents to Lessor as follows: (i) the representations and warranties in the Lease are true and correct as of the Acceptance Date; (ii) the Equipment is covered by insurance in the types and amounts required by the Lease; (iii) no Event of Default or Non-Appropriation, as those terms are defined in the Agreement, and no event that with the giving of notice or lapse of time or both, would become an Event of Default or a Non-Appropriation, has occurred and is continuing on the date hereof; and (iv) sufficient funds have been appropriated by Lessee for the payment of all Lease Payments due under the Lease during Lessee's current Fiscal Year.

3. Lessee hereby authorizes and directs Lessor to fund the acquisition cost of the Equipment by directing the payment by the Escrow Agent of, the invoice prices to the Vendor(s), in each case as set forth on Annex I, or by reimbursing Lessee in the event such invoice prices have been previously paid by Lessee.

IF REQUEST IS FINAL REQUEST, CHECK HERE . 4. **Final Acceptance Certificate.** The undersigned hereby certifies that the items of Equipment described above, together with the items of Equipment described in and accepted by Certificates of Acceptance and Disbursement Requests previously filed by Lessee with Lessor constitute all of the Equipment subject to the Lease. Lessee certifies that upon payment in accordance with paragraph 3 above, or direction to the Escrow Agent (if applicable) to make payment, Lessor shall have fully and satisfactorily performed all of its covenants and obligations under the Lease.

Accepted and certified this _____ day of _____, 20__ . ("Acceptance Date")

CITY OF SAN ANTONIO, as Lessee

By: _____
Name: Troy Elliott
Title: Deputy Chief Financial Officer

ANNEX I TO ACCEPTANCE CERTIFICATE

Payee	Vendor/ Manufacturer	Invoice or PO No.	VIN or MSN	Equipment Description	Location	Cost

EXHIBIT C-1

INSURANCE CERTIFICATION

In connection with Equipment Schedules 001, 002 and 003, each of which are dated February 21, 2018 to that certain Tax-Exempt Equipment Lease-Purchase Agreement dated February 21, 2018, the City of San Antonio, as lessee (the "Lessee") certifies that it has instructed the insurance agent named below (please fill in name, address, and telephone number):

Name of Agent: Office of Risk Management
Contact Person: Paul Tovar
Address: 100 W. Houston 18th Floor; San Antonio, TX 78205
Phone: 210-207-2017
E-mail: Paul.tovar@sanantonio.gov
to issue:

Liability Insurance. If the Lessee does not maintain the permitted self-insurance with respect to third party liability coverage, then Lessee is required to maintain public liability insurance, personal injury and property damage with minimum policy limits of \$1,000,000/occurrence and \$5,000,000/aggregate (for Schedule 002) and minimum policy limits of \$1,000,000/occurrence and \$3,000,000/aggregate (for Schedules 001 and 003). The policy should be endorsed to name Signature Public Funding Corp., a wholly-owned subsidiary of Signature Bank, and its successors and assigns as additional insured's. If the Lessee does maintain the permitted self-insurance with respect to third party liability coverage as set forth in Section 7.3(c) of the Tax-Exempt Equipment Lease-Purchase Agreement, then this liability insurance coverage request may be disregarded.

Casualty Insurance. Lessee is required to maintain all risk extended coverage, malicious mischief and vandalism insurance for the Equipment described in the above-referenced Equipment Schedule in an amount not less than the greater of \$295,930.04 (Schedule 001), \$2,890,838.93 (Schedule 002), and \$2,297,618.68 (Schedule 003) or the full replacement cost of the Equipment. Such insurance shall be endorsed to name Signature Public Funding Corp., a wholly-owned subsidiary of Signature Bank, and its successors and assigns as loss payees with respect to such Equipment.

The required insurance should also be endorsed to give Signature Public Funding Corp. at least 30 days prior written notice of the effective date of any material alteration or cancellation of coverage, and an endorsement confirming that the interest of Signature Public Funding Corp. shall not be invalidated by any actions, inactions, breach of warranty or conditions or negligence of Lessee.

Proof of insurance coverage will be provided to Signature Public Funding Corp. prior to and/or commensurate with the **release of any funds from the Escrow Account**. Proof of coverage will be mailed to: Signature Public Funding Corp., Attn: Tonia Lee at 600 Washington Avenue, Suite 305, Towson, MD 21204 or sent via e-mail to tlee@signatureny.com.

Very truly yours,

CITY OF SAN ANTONIO, TX, as Lessee

By: _____
Name: Troy Elliott
Title: Deputy Chief Financial Officer

EXHIBIT C-2

SELF-INSURANCE RIDER AND LESSOR CONSENT

Signature Public Funding Corp.
600 Washington Avenue, Suite 305
Towson, Maryland 21204

February 21, 2018

Re: Equipment Schedule Nos. 001, 002 and 003 dated February 21, 2018 to that certain
Tax Exempt Equipment Lease-Purchase Agreement dated February 21, 2018 (collectively, the "Lease")

In connection with the above-referenced Lease, the City of San Antonio, TX, as lessee (the "*Lessee*") certifies that it participates in an actuarially sound self-insurance program for property damage and public liability risks. The Self-Insurance Questionnaire attached hereto is true and correct, and no Event of Default or Non-Appropriation, as such terms are defined in the Lease, has occurred and is continuing.

The following is attached (check all that apply):

- Letter from risk manager describing self-insurance program
- Other evidence of Lessee's participation in self-insurance program

Signature Public Funding Corp., as lessor (the "*Lessor*") agrees that the self-insurance program as described by Lessee in this Certificate and the attached Questionnaire and related documents is acceptable in lieu of the coverage for property damage and public liability risks required under the Lease, including §13 of the Agreement.

CITY OF SAN ANTONIO, TX,
as Lessee

SIGNATURE PUBLIC FUNDING CORP.,
as Lessor

By: _____
Name: Troy Elliott
Title: Deputy Chief Financial Officer

By: _____
Name: Donald S. Keough
Title: Senior Managing Director

EXHIBIT C-3

QUESTIONNAIRE FOR SELF-INSURANCE TO
SELF-INSURANCE RIDER AND LESSOR CONSENT

To and part of that Self-Insurance Rider and Lessor Consent to Equipment Schedule Nos. 001, 002 and 003 dated as of February 21, 2018 to that certain Tax Exempt Equipment Lease-Purchase Agreement dated February 21, 2018 (collectively, the "Lease"). The terms capitalized herein but not defined herein shall have the meanings assigned to them in the Lease.

1. *Property Insurance.*

- a. Lessee is self-insured for damage or destruction to the Equipment.

YES NO (circle one)

If yes, the dollar amount limit for property damage to the Equipment under the Lessee's self-insurance program is \$_____.

- b. The Lessee maintains an umbrella insurance policy for claims in excess of Lessee's self-insurance limits for property damage to the Equipment as indicated above.

YES NO (circle one)

If yes, the umbrella policy provides coverage for all risk property damage.

YES NO (circle one)

If yes, the dollar limit for property damage to the Equipment under such umbrella policy is \$_____.

2. *Liability Insurance.*

- a. Lessee is self-insured for liability for injury or death of any person or damage or loss of property arising out of or relating to the unsafe condition or an employee of the City of San Antonio's negligent operation of the Equipment.

YES NO (circle one)

If yes, the dollar limit for such liability claims under the Lessee's self-insurance program is \$100,000|250,000|500,000 subject to TX Torts Claims Act.

- b. The Lessee maintains an umbrella insurance policy for claims in excess of Lessee's self-insurance limits for liability including injury or death of persons or damage to property as indicated above.

YES NO (circle one)

If yes, the umbrella policy provides coverage for liabilities for injury and death to persons as well as damage or loss of property arising out of or relating to the unsafe condition or an employee of the City of San Antonio's negligent operation of the Equipment.

YES NO (circle one)

If yes, the dollar amount of the umbrella policy's limits for such liability coverage is \$_____.

3A. *Self Insurance Fund.*

- a. Lessee maintains a self-insurance fund.

YES NO (circle one)

If yes, please complete the following:

Monies in the self-insurance fund are subject to annual appropriation.

YES NO (circle one)

The total amount maintained in the self-insurance fund to cover Lessee's self-insurance liabilities is \$_____.

- b. Amounts paid from the Lessee's self-insurance fund are subject to limitations for each claim.

YES NO (circle one)

If yes, the dollar amount of limit per claim is

\$100,000|250,000|500,000 subject to TX Torts Claims Act.

3B. No Self Insurance Fund.

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

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

4. Authority.

- a. The following entity or officer has authority to authorize payment for claim:

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

YES NO (circle one)
If yes, to whom does the claimant have recourse?

5. Certificates of Insurance.

Attached hereto are copies of certificates of insurance with respect to policies maintained by Lessee.
The attached letter is proof of Self-Insurance for the City of San Antonio

EXHIBIT D

ESSENTIAL USE CERTIFICATE

February 21, 2018

Signature Public Funding Corp.
600 Washington Avenue, Suite 305
Towson, Maryland 21204

Re: Equipment Schedule Nos. 001, 002, and 003 each dated February 21, 2018 to that certain
Tax Exempt Equipment Lease-Purchase Agreement dated February 21, 2018

I, Troy Elliott, appointed, or designated representative of and Deputy Chief Financial Officer of the City of San Antonio, as lessee (the "Lessee"), is qualified to answer the questions set forth below regarding the Equipment to be acquired by Lessee in connection with the above-referenced Lease Agreement:

1. *What is the specific use of the Equipment?*

Sch. 001: Fire Department Ambulance: Provision of emergency medical services as necessary throughout the corporate limits of the City.

Sch. 002: Solid Waste Management Department Automated Side Loaders: Solid waste collection services as necessary throughout the corporate limits of the City.

Sch. 003: Fire Department Bunker Gear: Protection of uniformed Fire Department personnel while fighting fires and engaged in other public safety activities throughout the corporate limits of the City to preserve and promote the public health, safety and welfare of the City and its citizens

2. *What increased capabilities will the Equipment provide?*

Sch. 001: The Fire Department Ambulance will enhance the ability of the Fire Department to respond to calls for emergency medical services throughout the City.

Sch. 002: The Automated Side Loaders will enhance the timeliness and efficiency of collection of solid waste throughout the corporate limits of the City.

Sch. 003: The Bunker Gear will provide enhanced personal safety of uniformed Fire Department personnel while providing firefighting and related public safety services throughout the corporate limits of the City.

3. *Why is the Equipment essential to your ability to deliver governmental services?*

The Equipment will enable the City to increase the level of services delivered to its citizens in the areas of Solid Waste Management and emergency medical services delivered by the Fire Department. In addition, the Bunker Gear will provide greater protection to Fire Department uniformed personnel while fighting fires and providing related public safety services

4. *Does the Equipment replace existing equipment?
(If so, please explain why you are replacing the existing equipment)*

The Equipment augments and does not replace any existing equipment.

5. *Why did you choose this specific Equipment?*

The Solid Waste Management Department and the Fire Department each determined that acquisition of the Equipment was necessary and essential to its ability to maintain and increase the level of services provided to the City and its citizens.

6. *For how many years do you expect to utilize the Equipment?*

- Sch. 001: The estimated useful life of the Fire Ambulance is 4 years.
- Sch. 002: The estimated useful life of the Automated Side Loaders is 5 years.
- Sch. 003: The estimated useful life of the Bunker Gear is 5 years.

Very truly yours,
CITY OF SAN ANTONIO, TX, as Lessee

By: _____
Name: Troy Elliott
Title: Deputy Chief Financial Officer

EXHIBIT E

INCUMBENCY CERTIFICATE

I, Leticia Vacek, do hereby certify that I am the City Clerk of the City of San Antonio (the "City"), which is a body corporate and politic duly established and validly existing as a political subdivision of the State under the Constitution and laws of the State, and that I have custody of the records of such entity.

I hereby certify that, as of the date hereof, the individuals named below are the duly elected or appointed officers of the City holding the offices set forth opposite their respective names. I further certify that:

- (i) The signatures set opposite their respective names and titles are their true and authentic signatures, and
- (ii) Such officers have the authority on behalf of such entity to:
 - a. Enter into that certain Equipment Schedule Nos. 001, 002 and 003 each dated February 21, 2018 to that certain Tax Exempt Equipment Lease-Purchase Agreement dated February 21, 2018 (collectively, the "Lease Agreement"), between the City of San Antonio, as lessee, and Signature Public Funding Corp., as lessor, and
 - b. Enter into that certain Escrow and Account Control Agreement dated February 21, 2018 (the "Escrow Agreement"); and
 - c. Execute Certificates of Acceptance, Disbursement Request Forms, and all other certificates documents, and agreements relating to the Lease Agreement and Escrow Agreement.

NAME	TITLE	SIGNATURE
Troy Elliott	Deputy Chief Financial Officer	_____

IN WITNESS WHEREOF, I have duly executed this Certificate on behalf of the City of San Antonio.

February 21, 2018

Leticia Vacek, City Clerk

EXHIBIT F

OPINION OF LESSEE'S COUNSEL

Form to be provided by City Attorney and inserted into Closing Documents.

EXHIBIT G

FEDERAL TAX CERTIFICATE

Form to be provided by City Attorney and inserted into Closing Documents.

FEDERAL TAX CERTIFICATE

I, Troy Elliott, Deputy Chief Financial Officer of the City of San Antonio, Texas (the "City") hereby certify that I am the duly qualified and authorized representative of the City; that the City, as lessee (the "Lessee"), executed and delivered the Tax-Exempt Equipment Lease-Purchase Agreement between the City and Signature Public Funding Corp., a New York Corporation (the "Lessor") on February 28, 2018 (the "Signature Lease"), including Schedule A thereto (the "Schedule"), the Agreement, and the Schedule (collectively, the "Lease"); that Lessee is a political subdivision of the State identified in the Lease; and that in my official capacity as such officer of the City, I am responsible for executing and delivering, on behalf of the Lessee, the Lease. Concurrently with the Lease, the City has executed and delivered a Tax-Exempt Equipment Lease-Purchase Agreement between the City and Banc of America Public Capital Corp dated February 21, 2018 including the schedule thereto (the "BoA Lease") and a certain Public Property Finance Contract (Non-Appropriation) between the City and JPMorgan Chase Bank, N.A. dated February 21, 2018 (including the schedule thereto) (the "Finance Contract").

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

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

1. The Lease provides for the lease of property by Lessor to Lessee. Under the Lease, the Lessor will provide funds to acquire property designated by Lessee from time to time pursuant to the terms and subject to the conditions of the Lease and Lessor thereafter will lease such property to Lessee in accordance with the Lease and the Schedules related to that property. The Lessee will authorize the lease of property pursuant to the Lease by separate ordinance and related official action. Under the Lease, the Lessee is required to make lease payments with respect to the property, comprising separately stated components of principal and interest, on the dates and in the amounts stated in the Schedule.

2. Contracts or purchase orders providing for the acquisition and delivery of new vehicles and equipment for the Fire and Solid Waste Departments (collectively, the "Equipment") have been or will be issued by Lessee to the entity identified on the Schedule, and the Equipment will be acquired with due diligence. The Equipment is identified with specificity in the Schedule. Based upon the provisions of the contracts or purchase orders, the Equipment is expected to be acquired on or before the following date (the "Expected Purchase Date"):

Expected Purchase Date: April, 2018 – December, 2018

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

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

Lessor's Deposit into the Fund: \$5,430,086.78.

Of the proceeds of the Lease, \$11,697.44 is allocated hereby to costs of issuance and \$5,418,389.34 to the purchase of the Equipment.

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

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

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

6. No sinking fund, debt service fund, reserve fund, or similar fund is expected to be created by Lessee with respect to the Lease and lease payments thereunder.

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

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

a. exclusively own, operate, and possess all property acquired with Gross Proceeds and not use or permit the use of any property acquired with Gross Proceeds in any activity carried on by any person or entity (other than a state or local government), *unless* such use is merely as a member of the general public, or

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

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

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

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

12. The Lessee reasonably expects to spend at least 85% of the spendable proceeds of the Lease with regard to the Equipment within three years. Not more than 50% of the proceeds of the Lease

with regard to the Equipment will be invested in Investments having a substantially guaranteed Yield for a period of four (4) years or more.

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

For the purposes of this Federal Tax Certificate, the Yield on the Finance Issue is the discount rate that, when used in computing the present value as of the Issue Date of the Finance Issue, of all unconditionally payable payments of principal and interest on the Finance Issue, produces an amount equal to the present value, using the same discount rate, of the aggregate Issue Price of the Finance Issue as of the Issue Date.

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

The combined Yield on the Finance Contract, the BoA Lease, and the Lease is calculated by treating the outstanding stated principal amounts as payable on the dates set forth in the payment schedule attached to the Finance Contract, the BoA Lease, and the Lease, respectively. The City has no present intention of exercising the purchase option under the BoA Lease, the Finance Contract, or the Lease prior to its maturity.

The Yield on the Finance Issue, calculated in the manner set forth above, is 2.58 percent.

The City has not entered into and will not enter into a hedging transaction with respect to the Lease.

14. The weighted average maturity of the Lease is less than 120% of the average reasonably expected economic life of the Equipment financed by the Lease:

15. The combined Weighted Average Maturity of the Finance Issue is 3.5347 years and is the sum of the products of the Issue Price of the Finance Issue and the number of years to maturity (taking into account mandatory payments), divided by the aggregate Sale Proceeds of the Finance Issue.

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

- a. employed any abusive arbitrage device, or
- b. overburdened the market for tax-exempt obligations.

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

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

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

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

21. The City will retain all pertinent and material records relating to the use and expenditure of the Gross Proceeds of the Lease and the calculation or exemption from rebate until three years after the Lease is paid, or such shorter period as authorized by subsequent guidance issued by the Department of Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the City to retrieve and reproduce such books and records in the event of an examination of the Lease by the Internal Revenue Service.

22. Not more than 50 percent of the Proceeds of the Lease will be invested in nonpurpose investments (as defined in section 148(f)(6)(A) of the Code) have a substantially guaranteed Yield for four years or more within the meaning of section 149(g)(3)(A)(ii) of the Code. Further, the City reasonably expects that at least 95 percent of the spendable Proceeds of the Lease will be used to carry out the governmental purposes of the Lease within the three-year period beginning on the date the Lease is issued.

23. The City has implemented written post-issuance compliance procedures regarding federal tax compliance that include provisions to ensure that all nonqualified bonds of the Lease are remediated according to the requirements under the Code and Regulations and to monitor the requirements of section 148 of the Code.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Federal Tax Certificate as of February 21, 2018.

CITY OF SAN ANTONIO, TEXAS

By: _____
Name: Troy Elliott
Title: Deputy Chief Financial Officer

EXHIBIT A

CERTIFICATE OF LESSOR

This Certificate is furnished by Signature Public Funding Corp. (the "Lessor"), regarding the Tax-Exempt Equipment Lease-Purchase Agreement (the "Obligation"), dated as of February 21, 2018 by and between the Lessor and the City of San Antonio, Texas (the "Issuer"). Each capitalized term used herein has the meaning or is the amount, as the case may be, specified for such term in the Federal Tax Certificate to which this Exhibit A is attached (the "Federal Tax Certificate"). I hereby certify as follows in good faith as of the Issue Date of the Obligation.

We hereby certify that the Lessor purchased the Obligation for delivery on the date hereof at a price of \$5,430,086.78, which is the stated original face amount of the principal component of the Obligation. The Lessor intends to hold the Obligation for its own account and not in the capacity of bondhouse, broker, dealer, or similar person or organization acting in the capacity of underwriter or wholesaler. The Obligation is not being offered to the public and is not being issued in exchange for property.

We understand that Bond Counsel may rely on this Certificate, among other things, in providing an opinion with respect to the exclusion from gross income of interest on the Obligation for federal income tax purposes and in preparing the Internal Revenue Service Form 8038-G. The Lessor makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED as of this 21st day of February, 2018.

SIGNATURE PUBLIC FUNDING CORP.

By: _____

Name: _____

Title: _____

EXHIBIT H:

ESCROW AND ACCOUNT CONTROL AGREEMENT

Form to be provided by Frost Bank and Inserted into Closing Documents.

EXHIBIT I:

ORDINANCE OF CITY COUNCIL

Form to be provided by City, Reviewed by Lessor and Inserted into Closing Documents.

CLOSING MEMORANDUM

E X H I B I T B

ESCROW AND ACCOUNT CONTROL AGREEMENT

THIS ESCROW AND ACCOUNT CONTROL AGREEMENT ("*Escrow Agreement*") is made as of February 21, 2018 by and among Signature Public Funding Corp., a corporation chartered under the laws of the State of New York ("*Lessor*"), City of San Antonio, Texas, a political subdivision of the State of Texas ("*Lessee*"), and Frost Bank, San Antonio, Texas, a state banking association organized under the laws of the State of Texas, as escrow agent ("*Escrow Agent*").

Lessor and Lessee have heretofore entered into that certain Tax-Exempt Equipment Lease-Purchase Agreement dated as of February 21, 2018 (the "*Agreement*") and Equipment Schedule Nos. 001, 002, and 003, each of which is dated as of February 21, 2018 (collectively, the "*Schedule*" and, together with the terms and conditions of the Agreement incorporated therein, collectively, the "*Lease*"). The Lease contemplates that certain equipment described therein (the "*Equipment*") is to be acquired from the vendor(s) or manufacturer(s) thereof. After acceptance of the Equipment by Lessee, the Equipment is to be leased by Lessor to Lessee pursuant to the terms of the Lease.

The Lease further contemplates that Lessor will deposit an amount equal to the anticipated aggregate acquisition cost of the Equipment and Lessee's costs of issuance (the "*Purchase Price*"), being \$5,430,086.78 with Escrow Agent to be held in escrow and applied on the express terms set forth herein. The Purchase Price shall be held in the Equipment Acquisition Account (defined herein), together with all interest and other additions received with respect thereto, is to be applied to pay the vendor(s) or manufacturer(s) of the Equipment (the "*Vendor*") its invoice cost, and to the reimbursement of Lessee for its costs of issuance. Lessor and Lessee acknowledge to Escrow Agent that the Lease does not contain any provision that expands the liabilities or duties of the Escrow Agent beyond those set forth in this instrument, or as otherwise required by law.

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

NOW, THEREFORE, the parties agree as follows:

1 (a) There is hereby created a special escrow account to be known as the "City of San Antonio Tax-Exempt Equipment Lease-Purchase with Signature Public Funding Corp. (2018)" (the "Equipment Acquisition Account") to be held by the Escrow Agent for the purposes stated herein.

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

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

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

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

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

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

On the Closing Date, Escrow Agent agrees to accept the deposit of the Purchase Price by Lessor, and further agrees to hold the amount so deposited together with all interest and other cash additions received with respect thereto, as the Equipment Acquisition Account hereunder, in escrow on the express terms and conditions set forth herein.

3. Escrow Agent shall at all times segregate the Equipment Acquisition Account into an account maintained for that express purpose, which shall be clearly identified on the books and records of Escrow Agent as being held in its capacity as Escrow Agent. Securities and other negotiable instruments comprising the Equipment Acquisition Account from time to time shall be held or registered in the name of "City of San Antonio Tax-Exempt Equipment Lease-Purchase with Signature Public Funding Corp. (2018)". The Equipment Acquisition Account shall not, to the extent permitted by applicable law, be subject to levy or attachment or lien by or for the benefit of any creditor of any of the parties hereto (except with respect to the security interest therein held by Lessor).

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

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

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

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

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

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

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

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

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

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

5. As directed by the Lessee, the cash comprising the Equipment Acquisition Account from time to time shall be invested and reinvested by Escrow Agent in any investment authorized pursuant to Chapter 2256, as amended from time to time, and the written investment policy of Lessee most recently approved by the City Council of the Lessee. Escrow Agent will use due diligence to collect amounts payable under a check or other instrument for the payment of money comprising the Equipment Acquisition Account and shall promptly notify Lessee and Lessor in the event of dishonor of payment under any such check or other instruments. Interest or other amounts earned and received by Escrow Agent with respect to the Equipment Acquisition Account shall be deposited in and comprise a part of the Equipment Acquisition Account.

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

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

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

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

(c) Upon receipt by Escrow Agent of written notice from Lessor that the purchase price of the Equipment in an applicable Equipment Schedule has been paid in full, Escrow Agent shall disburse to Lessor by wire transfer in accordance with Lessor's wiring instructions all funds (if any) then remaining in the Equipment Acquisition Account attributable to such Equipment Schedule, to be applied by Lessor against of the pro rata portion of each next due and owing Lease Payments due under the Lease and the applicable Equipment Schedule as provided therein, or if amounts being held in the Equipment Acquisition Account are greater than the sum of the next due and owing Lease Payments, then to the pro rata portion of the Prepayment Price due and owing under the Lease and each applicable Equipment Schedule.

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

9. Escrow Agent shall have no liability for acting upon any written instruction presented by Lessor in connection with this Escrow Agreement, which Escrow Agent in good faith believes to be genuine. Furthermore, Escrow Agent shall not be liable for any act or omission in connection with this Escrow Agreement except for its own negligence, willful misconduct or bad faith. Escrow Agent shall not be liable for any loss or diminution in value of the Equipment Acquisition Account as a result of the investments made by Escrow Agent.

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

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

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

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

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

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

If to Lessor: Signature Public Funding Corp.
600 Washington Avenue, Suite 305
Towson, Maryland 21204
Attention: Senior Managing Director
Phone: 410-704-0027

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

If to Escrow Agent: Frost Bank
P.O. Box 1600
San Antonio, Texas 78296-1600
Attn: Anthony White
Phone: (210) 220-6996
Fax: (210) 220-6273

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

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

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

Signature Public Funding Corp., as Lessor

By: _____
Name: Donald S. Keough
Title: Senior Managing Director

City of San Antonio, Texas, as Lessee

By: _____
Name: Troy Elliott
Title: Deputy Chief Financial Officer

Frost Bank, as Escrow Agent

By: _____
Name: Anthony White
Title: Senior 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 21, 2018 (the "*Escrow Agreement*") by and among Signature Public Finance Corp. (the "*Lessor*"), City of San Antonio, Texas (the "*Lessee*"), and Frost Bank (the "*Escrow Agent*"), the amount set forth below to the named payee(s). The amount shown is due and payable under a purchase order or contract (or has been paid by and not previously reimbursed to Lessee) with respect to Equipment being leased under that certain Master Equipment Lease Purchase Agreement dated as of February 21, 2018 (the "*Master Lease*") and Schedule A dated February 21, 2018 (collectively, the "*Schedule*" and, together with the terms and conditions of the Master Lease incorporated therein, the "*Lease*"), by and between the Lessor and the Lessee, and has not formed the basis of any prior requisition request.

PAYEE'S FUNDING INSTRUCTIONS	INVOICE NUMBER	AMOUNT	PURPOSE

Total requisition amount \$ _____

The undersigned, as Lessee under the Lease hereby certifies:

1. The items of the Equipment, as such term is defined in the Lease, fully and accurately described on the Equipment Schedule attached hereto have been delivered and installed at the location(s) set forth therein.
2. A present need exists for the Equipment which need is not temporary or expected to diminish in the near future. The Equipment is essential to and will be used by the Lessee only for the purpose of performing one or more governmental functions of Lessee consistent with the permissible scope of Lessee's authority.

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

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

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

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

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

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

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

(a) Original Invoice(s);

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

(c) Requisition for Payment.

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

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

[Remainder of page intentionally left blank.]

Acceptance Date: _____

City of San Antonio, Texas
as Lessee

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

Signature Public Funding Corp.,
as Lessor

By: _____

Title: _____

Date: _____