

## EXHIBIT B TO THE ORDINANCE

### ESCROW AND ACCOUNT CONTROL AGREEMENT

THIS ESCROW AND ACCOUNT CONTROL AGREEMENT ("*Escrow Agreement*") is made as of January 30, 2024 by and among JPMorgan Chase Bank, N.A., a national association ("*Lender*"), City of San Antonio, Texas, a political subdivision of the State of Texas ("*Borrower*"), and Frost Bank, San Antonio, Texas, a state banking association organized under the laws of the State of Texas, as escrow agent ("*Escrow Agent*").

Lender and Borrower have heretofore entered into that certain Public Property Finance Contract (Non-Appropriation) dated as of January 30, 2024, with a Loan Schedule #1000150204 dated as of January 30, 2024 (the "*Contract*"). The Contract contemplates that certain equipment described therein (the "*Equipment*") is to be acquired from the vendor(s) or manufacturer(s) thereof. After acceptance of the Equipment by Borrower, the Equipment is to be Contracted by Lender to Borrower pursuant to the terms of the Contract.

The Contract further contemplates that Lender will deposit an amount equal to the anticipated aggregate acquisition cost of the Equipment and Borrower's costs of issuance (the "*Purchase Price*"), being \$4,716,887.20 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 Borrower for its costs of issuance.

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 Contract/Purchase for JPMorgan (2024)" (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 Borrower and Lender, and such moneys, together with any income or interest earned thereon, shall be expended only as provided in this Escrow Agreement, and Lender and Borrower acknowledge, and declare that the same shall not, to the extent permitted by applicable law, be subject to levy or attachment or lien by or for the benefit of any creditor of either Borrower or Lender, Borrower and Escrow Agent intend that the Equipment Acquisition Account constitute an escrow account in which Borrower has no legal or equitable right, title or interest until satisfaction in full of all conditions contained herein for the disbursement of funds by the

Escrow Agent therefrom. However, if the parties' intention that Borrower shall have no legal or equitable right, title or interest until all conditions for disbursement are satisfied in full is not respected in any legal proceeding, the parties hereto intend that Lender shall have a security interest in the Equipment Acquisition Account, and such security interest is hereby granted by Borrower to secure payment of all sums due to Lender under the Contract. For such purpose, Escrow Agent hereby agrees to act as agent for Lender in connection with the perfection of such security interest and agrees to note, or cause to be noted, on all books and records relating to the Equipment Acquisition Account, the Lender'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 Borrower. Borrower 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 Escrow Agent for the reinvestment of any maturing investment. Accordingly, Borrower acknowledges that neither Escrow Agent nor Lender will 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 Borrower agrees to and does hereby release each of Escrow Agent and Lender from any such liability, cost, expenses, loss or claim. Interest on the Equipment Acquisition Account shall become part of the Equipment Acquisition Account, and gains and losses on the investment of the moneys on deposit in the Equipment Acquisition Account shall be borne by the Equipment Acquisition Account. For purposes of this agreement, "Authorized Investments" means any investments which meet the requirements of the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended ("Chapter 2256"), and are permitted by the Borrower's current Investment Policy. 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.

(e) If the amounts in the Equipment Acquisition Account are insufficient to pay such amounts, Borrower 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*"), Lender shall deposit with Escrow Agent cash in the amount of the Purchase Price, to be held in escrow by Escrow Agent on the express terms and conditions set forth herein. Borrower shall provide notice to Escrow Agent at least two (2) business days prior the Closing Date that the Lender will be transferring such funds to Escrow Agent.

Subject to having received the notice required above, Escrow Agent agrees to accept the deposit of the Purchase Price by Lender on the Closing Date, 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 Contract/Purchase for JPMorgan (2024)". 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 Lender).

4. In order to perfect Lender'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 Borrower'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"), Lender, Borrower and Escrow Agent further agree as follows:

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

(b) Escrow Agent will comply with all "entitlement orders" (as such term is defined in the UCC §8.102(a)(8)) originated by Lender with respect to the Collateral, or any portion of the Collateral, without further consent by Borrower.

(c) Escrow Agent and Borrower hereby agree that each item of investment property held in the Equipment Acquisition Account (the "Account Property") shall be treated as a financial asset under such section of the Commercial Code as corresponds with Section 8-102(a)(9) of the Uniform Commercial Code, notwithstanding any contrary provision of any other agreement to which Escrow Agent may be a party. Lender and Borrower agree that Escrow Agent has no obligation to monitor the market value of the Account Property or the Equipment Acquisition Account for the benefit of the Lender. Such monitoring is the sole responsibility of the Lender and the Borrower. The Lender and the Borrower agree that the Escrow Agent will not be responsible for any diminution of the loss of value of the Account Property, including any diminution or loss of value attributable to declines in the market value of the Account Property.

(d) Escrow Agent hereby represents and warrants (i) that the records of Escrow Agent show that Borrower is the sole owner of the Collateral, (ii) that Escrow Agent has not been served with any notice of levy or received any notice of any security interest in or other claim to the Collateral, or any portion of the Collateral, other than Lender's claim pursuant to this Escrow Agreement, and (iii) that Escrow Agent is not presently obligated

to accept any entitlement order from any person with respect to the Collateral, except for entitlement orders that Escrow Agent is obligated to accept from Lender under this Escrow Agreement and entitlement orders that Escrow Agent, subject to the provisions of paragraph (e) below, is obligated to accept from Borrower.

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

(f) Except as otherwise provided in this paragraph (f) and subject to Section 1(b) hereof, Escrow Agent may allow Borrower to effect sales, trades, transfers and exchanges of Collateral within the Equipment Acquisition Account, but will not, without the prior written consent of Lender, allow Borrower to withdraw any Collateral from the Equipment Acquisition Account. Escrow Agent acknowledges that Lender reserves the right, by delivery of written notice to Escrow Agent, to prohibit Borrower from effecting any withdrawals (including withdrawals of ordinary cash dividends and interest income), sales, trades, transfers or exchanges of any Collateral held in the Equipment Acquisition Account. If at any time the Lender delivers to Escrow Agent a notice instructing Escrow Agent to terminate Borrower's access to the Equipment Acquisition Account (the "**Notice of Sole Control**"), the Escrow Agent agrees that, commencing two (2) business days after receipt of such notice, it will take all instruction with respect to such Equipment Acquisition Account solely from the Lender, terminate all instructions and orders originated by the Borrower with respect to the Equipment Acquisition Account or any funds therein, and cease taking instructions from the Borrower, including, without limitation, instructions for distribution or transfer of any funds in the Equipment Acquisition Account. Borrower and Lender acknowledge that Escrow Agent has no obligation to, and will not, investigate the reason for any action taken by Lender, the amount of any obligations of Borrower to Lender, the validity of any of Lender's claims against or agreements with Borrower, the existence of any defaults under such agreements, or any other matter. Until such time as the Escrow Agent receives a Notice of Sole Control, Borrower shall direct Escrow Agent with respect to the voting of any financial assets credited to the Equipment Acquisition Account.

(g) Borrower hereby irrevocably authorizes Escrow Agent to comply with all instructions and entitlement orders delivered by Lender to Escrow Agent after Escrow Agent receives a Notice of Sole Control. Escrow Agent will not be liable to Lender for complying with instructions concerning the Equipment Acquisition Account from Borrower that are received by Escrow Agent before Escrow Agent receives, and has a reasonable opportunity to act on, a Notice of Sole Control.

(h) Escrow Agent hereby agrees that any security interest in, lien on, encumbrance, claim or (except as provided in the next sentence) right of set-off against, the Equipment Acquisition Account or any Account Property it now has or subsequently obtains shall be subordinate to the security interest of the Lender in the Equipment Acquisition Account and the Account Property therein or credited thereto. Escrow Agent hereby agrees not to exercise any present or future right of recoupment or set-off against the Equipment Acquisition Account or to assert against the Equipment Acquisition Account any present or future security interest, banker's lien or any other lien or claim (including claim for penalties) that Escrow Agent may at any time have against or in the Equipment Acquisition Account or any Account Property therein or credited thereto; *provided*, however, that Escrow Agent may set off amounts due to Escrow Agent in respect of its customary fees and expenses for the routine maintenance and operation of the Equipment Acquisition Account and to secure or satisfy payment for Account Property.

(i) Escrow Agent is hereby authorized and instructed, and hereby agrees, to send to Lender at its address set forth in Section 13 hereof, concurrently with the sending thereof to Borrower, duplicate copies of any and all monthly Equipment Acquisition Account statements or reports issued or sent to Borrower with respect to the Equipment Acquisition Account.

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

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

(a) From time to time, Escrow Agent shall disburse funds from the Equipment Acquisition Account that are then due and payable to the Vendor of the Equipment and/or other named party, upon Escrow Agent's receipt of a duly and fully executed Requisition Request and Certificate of Acceptance, substantially in the form attached as Exhibit 1 hereto, that authorizes the payment, describes it with specificity, and is signed by an authorized representative of each of Borrower and Lender who is also an authorized signer on the Equipment Acquisition Account and, with respect to Lender, specifically named in the Lender's List of Authorized Signers attached hereto as Exhibit 2. Lender acknowledges that Escrow Agent has no duty to question the continued authority of Lender's authorized signatories and may rely on the list attached as Exhibit 2.

(b) Upon receipt of written notice from Lender that an Event of Default or Nonappropriation Event has occurred under the Contract prior to the Borrower's acceptance of all the Equipment, or to the extent that Lender provides Escrow Agent with written notice that funds have not been disbursed from the Equipment Acquisition Account within the eighteen month period identified in the Contract, Escrow Agent shall, upon receipt of written notice from Lender, disburse by wire transfer to Lender in accordance with Lender's wiring instructions all funds then on deposit in the Equipment Acquisition

Account, and all such funds shall be applied by Lender to the prepayment of Contract Payments under the Contract.

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

(d) Escrow Agent will not be liable to Borrower or Lender for complying with a Notice of Sole Control or with instructions concerning the Equipment Acquisition Account originated by the Lender, even if the Borrower notifies Escrow Agent that Lender is not legally entitled to issue a Notice of Sole Control or any other instructions contemplated under this Escrow Agreement unless the Escrow Agent takes the action after it is served with an injunction, restraining order, or other legal process enjoining it from doing so, issued by a court of competent jurisdiction, and had a reasonable opportunity to act on the injunction, restraining order or other legal process.

(e) This Escrow Agreement does not create any obligation of Escrow Agent except for those expressly set forth in this Escrow Agreement. In particular, Escrow Agent need not investigate whether Lender is entitled under Lender's agreements with Borrower to give instructions concerning the Equipment Acquisition Account or a Notice of Sole Control. Escrow Agent may rely on notices and communications it believes to be given by the appropriate party.

7. Borrower shall reimburse the Escrow Agent for all reasonable costs and expenses, including those of the Escrow Agent's attorneys, agents and employees incurred for extraordinary administration of the Escrow Account and the performance of the Escrow Agent's powers and duties hereunder in connection with any Event of Default under the Contract, or in connection with any dispute between Lender and Borrower concerning the Escrow Account. Escrow Agent waives any claim against Lender with respect to compensation for maintaining the Equipment Acquisition Account or complying with its responsibilities hereunder.

8. Escrow Agent shall have no liability for acting upon any written instruction presented by Lender in connection with this Escrow Agreement, which Escrow Agent in good faith believes to be genuine. Furthermore, Escrow Agent shall not be liable for any act or omission in connection with this Escrow Agreement except for its own negligence, willful misconduct or bad faith. In no event shall Escrow Agent be liable for losses or delays resulting from computer malfunction, interruption of communication facilities, labor difficulties, delays due to natural disasters or pandemics, or other causes beyond Escrow Agent's reasonable control or for indirect, special, or consequential damages.

(a) EXCEPT IN CASES OF ESCROW AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, LENDER HEREBY AGREES TO INDEMNIFY

ESCROW AGENT AND HOLD IT HARMLESS FROM ANY AND ALL CLAIMS, DEMANDS LIABILITIES, LOSSES, ACTIONS, SUITS OR PROCEEDINGS AT LAW OR IN EQUITY (COLLECTIVELY, "CLAIMS"), OR ANY OTHER EXPENSES, FEES OR CHARGES OF ANY CHARACTER OR NATURE WHICH ESCROW AGENT MAY INCUR OR WITH WHICH IT MAY BE THREATENED BY REASON OF ESCROW AGENT'S, LENDER'S OR BORROWER'S ACTIONS UNDER THIS AGREEMENT; AND, IN CONNECTION THEREWITH, TO THE EXTENT PERMITTED BY LAW, TO INDEMNIFY ESCROW AGENT AGAINST ANY AND ALL EXPENSES, INCLUDING WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES AND EXPENSES INCURRED BY ESCROW AGENT. ESCROW AGENT MAY ITSELF IN ITS SOLE DISCRETION DEFEND ANY SUIT OR PROCEEDING BROUGHT AGAINST IT AND SHALL BE EQUALLY ENTITLED TO RECEIVE REIMBURSEMENT FROM LENDER, ITS REASONABLE ATTORNEYS' FEES, EXPENSES, AND ALL FEES AND COSTS INCIDENT TO ANY APPEALS WHICH MAY RESULT.

9. Lender and Borrower represent and warrant to Escrow Agent that the Contract does not contain any provision that expands the liabilities or duties of the Escrow Agent beyond those set forth in this instrument.

10. Lender, Borrower, and Escrow Agent acknowledge that Escrow Agent presently serves as Borrower's depository financial institution. The Escrow Agent and the Borrower hereby agree that, in consideration for performing services as the Escrow Agent, any amounts that may be payable by the Borrower to the Escrow Agent for services provided by Escrow Agent hereunder will be paid by the Borrower pursuant to, and as a part of, the agreement between Borrower and Escrow Agent as the Borrower's depository financial institution, and Escrow Agent agrees, subject to Section 4(h) of this Escrow Agreement, that the sole remedy for nonpayment will be action under such agreement for depository services. All of the above named parties agree that in the event that at any time during the term of this Agreement and the Contract, Escrow Agent ceases to be Borrower's depository financial institution, Escrow Agent shall deliver its written resignation as Escrow Agent to Borrower and Lender in the manner specified in Section 13 of this Agreement for notices. Such resignation shall be effective as of the end of business on the last day on which Escrow Agent is Borrower's depository financial institution, and shall be delivered to Borrower and Lender not later than thirty (30) days prior thereto. Subject to the Lender's prior written approval which shall not be unreasonably withheld or delayed, Borrower'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 Contract ("Substitute Escrow Agent"), effective on the first day on which it is Borrower'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 Contract 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 Contract, but shall remain responsible (but only if and to the extent provided in this Agreement) to Lender and Borrower for its actions during the entire time it served as Escrow Agent.

11. This Escrow Agreement and the escrow established hereunder shall terminate upon receipt by Escrow Agent of the written notice from Lender specified in Section 6(b) or Section 6(c) hereof or upon disbursement of all funds or mutual agreement of Lender and Borrower.

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

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

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

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

If to Lender: JPMorgan Chase Bank, N.A.  
1111 Polaris Parkway, Suite 1P  
Columbus, OH 43240  
Attention: Operations Manager  
Mail Code: OH1-1085  
Email: [cefi.escrow.disbursement.request@jpmchase.com](mailto:cefi.escrow.disbursement.request@jpmchase.com)

If to Borrower: City of San Antonio, Texas  
Finance Department  
100 W. Houston St., 8<sup>th</sup> Floor  
San Antonio, Texas 78205  
Attn: Division of Financial Management  
Phone: (210) 207-8668  
Fax: (210) 207-7774



If to Escrow Agent: Frost Bank  
P.O. Box 1600  
San Antonio, Texas 78296-1600  
Attn: Mallory Ahl  
Phone: (210) 220-5133  
Email: [Mallory.ahl@frostbank.com](mailto:Mallory.ahl@frostbank.com) with a copy to  
[pftreasurymanagement@frostbank.com](mailto:pftreasurymanagement@frostbank.com)

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

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.

JPMorgan Chase Bank, N.A., as Lender

By: \_\_\_\_\_  
Name:  
Title:

City of San Antonio, Texas, as Borrower

By: \_\_\_\_\_  
Name: Troy Elliott  
Title: Deputy Chief Financial Officer

Frost Bank, as Escrow Agent

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

Name: Mallory Ahl

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 January 30, 2024 with a Loan Schedule#1000150204 date as of January 30, 2024, (the “*Escrow Agreement*”) by and among JPMorgan Chase Bank, N.A. (the “*Lender*”), City of San Antonio, Texas (the “*Borrower*”), and Frost Bank (the “*Escrow Agent*”), the amount set forth below to the named payee(s). The amount shown is due and payable under a purchase order or contract (or has been paid by and not previously reimbursed to Borrower) with respect to Equipment being financed under that certain Personal Property Finance Contract dated as of January 30, 2024 (the “*Contract*”) and Schedule A dated January 30, 2024 (collectively, the “*Schedule*” and, together with the terms and conditions of the Contract incorporated therein, the (“*Contract*”), by and between the Lender and the Borrower, and has not formed the basis of any prior requisition request.

| PAYEE’S FUNDING INSTRUCTIONS | INVOICE NUMBER | AMOUNT | PURPOSE |
|------------------------------|----------------|--------|---------|
|                              |                |        |         |
|                              |                |        |         |
|                              |                |        |         |

Total requisition amount \$ \_\_\_\_\_

The undersigned, as Borrower under the Contract hereby certifies:

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

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

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

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

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

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

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

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

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

(a) Original Invoice(s);

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

(c) Requisition for Payment.

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

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

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

[Remainder of page intentionally left blank.]

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

City of San Antonio, Texas  
*as Borrower*

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

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

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

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

Contact #1: \_\_\_\_\_

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

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

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

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

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

Contact #2: \_\_\_\_\_

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

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

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

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

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

JPMorgan Chase Bank, N.A., *as Lender*

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

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

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

**EXHIBIT 2**  
**LENDER AUTHORIZED SIGNATORIES**

| <b>NAME</b> | <b><u>TITLE</u></b> |
|-------------|---------------------|
|             |                     |
|             |                     |
|             |                     |
|             |                     |